

**Assembly Bill No. 3116**

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Passed the Assembly July 11, 1996

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*Chief Clerk of the Assembly*

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Passed the Senate July 11, 1996

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*Secretary of the Senate*

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This bill was received by the Governor this \_\_\_\_ day  
of \_\_\_\_\_, 1996, at \_\_\_\_ o'clock \_\_M.

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*Private Secretary of the Governor*

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## CHAPTER \_\_\_\_

An act to add Title 4.95 (commencing with Section 4498) to Part 3 of the Penal Code, relating to financing the construction of local correctional facilities by providing the funds necessary therefor through the issuance and sale of bonds of the State of California and by providing for the handling and disposition of those funds, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

## LEGISLATIVE COUNSEL'S DIGEST

AB 3116, Brulte. County correctional facilities.

Existing law contains various bond acts for the construction of local correctional facilities.

This bill would enact the Youthful and Adult Offender Local Facilities Bond Act of 1996 which, if adopted, would authorize, for purposes of constructing, renovating, remodeling, or replacement of county juvenile and adult correctional facilities, the issuance of \$700,000,000 in bonds pursuant to the State General Obligation Bond Law.

The bill would provide for submission of the bond act to the voters at the November 5, 1996, general election in accordance with specified law.

This bill would declare that it is to take effect immediately as an urgency statute.

Appropriation: yes.

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

SECTION 1. Title 4.95 (commencing with Section 4498) is added to Part 3 of the Penal Code, to read:



TITLE 4.95. YOUTHFUL AND ADULT OFFENDER  
LOCAL FACILITIES BOND ACT OF 1996

CHAPTER 1. GENERAL PROVISIONS

4498. This title shall be known and may be cited as the Youthful and Adult Offender Local Facilities Bond Act of 1996.

4498.1. The Legislature finds and declares all of the following:

(a) It is the intent of the Legislature to provide funding for the capital construction of local facilities for the treatment, rehabilitation, and punishment of juvenile offenders. Counties do not have sufficient options for providing a continuum of care for juvenile offenders that provides for all of the following:

(1) Effecting swift, certain, and effective correctional treatment and penalties for all juvenile offenders.

(2) Treating offenders whose criminality results from substance abuse or mental disorders.

(3) Requiring community service when appropriate.

(4) Ensuring appropriate supervision in secure and nonsecure settings.

(5) Promoting integrated service provisions for governmental and community-based organizations.

(6) Providing alternatives to commitment to the Youth Authority.

(b) Public safety is a primary function and consideration of government. As evidenced by the overwhelming support for Proposition 184, the “Three Strikes Initiative,” on the November 8, 1994, general election ballot, the people of the State of California are demanding that violent, serious, and repeat felons be incarcerated with longer sentences. The passage of Proposition 184 is expected to adversely impact the capacity of local correctional facilities, creating a serious safety risk.

(c) Numerous county adult and juvenile facilities throughout California are dilapidated and overcrowded, and expansion of available bed capacity is critical. Capital



improvements are necessary to protect the life and safety of persons confined or employed in these facilities, and to upgrade health and sanitary conditions to avoid threatened closures or the imposition of court-ordered sanctions.

4498.2. As used in this title, the following terms have the following meanings:

(a) “Committee” means the 1996 Youthful and Adult Offender Local Facilities Bond Finance Committee created pursuant to Section 4499.

(b) “Fund” means the 1996 Youthful Offender Local Facilities Bond Fund or the 1996 Adult Offender Local Facilities Bond Fund, created pursuant to Section 4498.3.

#### CHAPTER 2. PROGRAM

4498.3. Of the proceeds of bonds issued and sold pursuant to this title, three hundred fifty million dollars (\$350,000,000) shall be deposited in the 1996 Youthful Offender Local Facilities Bond Fund, which is hereby created, and three hundred fifty million dollars (\$350,000,000) shall be deposited in the 1996 Adult Offender Local Facilities Bond Fund, which is hereby created.

4498.4. (a) Moneys in the 1996 Youthful Offender Local Facilities Bond Fund shall be used for the construction, renovation to increase or maintain capacity, remodeling, and replacement of local facilities for the treatment, rehabilitation, and punishment of juvenile offenders, and may be used for capital improvements, rehabilitation, or renovation performed by local juvenile community service work crews. Up to 1  $\frac{1}{2}$  percent of moneys in the fund may be used by the Board of Corrections for administration of this title.

(b) In order to be eligible to receive money for the purposes specified in this section, a county shall apply in the manner and form prescribed by the Board of Corrections.



(c) Allocation of funds shall be subject to future appropriation by the Legislature, and shall be made based on the following criteria:

(1) County matching funds of at least 25 percent are provided as determined by the Legislature, except that this requirement may be modified or waived by the Legislature by statute where it determines that it is necessary to facilitate the expeditious and equitable construction of local correctional facilities. The greater the percentage of matching funds that a county provides, the higher priority the county shall be given for allocation of moneys.

(2) The county, or a group of counties acting together, have developed a plan that identifies the county continuum of care model for prevention, intervention, supervision, treatment, and detention of juvenile offenders. The plan shall identify how the county will maximize all funding sources (local criminal justice, local social services, federal and state programs, and education) for providing appropriate services for juvenile offenders. The plan shall demonstrate that the county has utilized, to the greatest extent practicable, alternatives to detention. The plan also shall identify the capital needs for fully providing the services outlined in the county model.

(d) Counties that have begun to plan, construct, or renovate facilities after January 1, 1995, but prior to the enactment of this title, remain eligible to receive state matching funds.

(e) Counties that contract with private providers for treatment or other services for offenders are eligible to apply for moneys from the fund.

4498.5. (a) Moneys in the 1996 Adult Offender Local Facilities Bond Fund shall be used for the construction, renovation to increase or maintain capacity, remodeling, and replacement of local facilities for the treatment, rehabilitation, and punishment of adult offenders. Up to 1 1/2 percent of moneys in the fund may be used by the Board of Corrections for administration of this title.



(b) In order to be eligible to receive money for the purposes specified in this section, a county shall apply in the manner and form prescribed by the Board of Corrections.

(c) Allocation of funds shall be subject to future appropriation by the Legislature, and shall be made based on the following criteria:

(1) County matching funds of at least 25 percent are provided as determined by the Legislature, except that this requirement may be modified or waived by the Legislature by statute where it determines that it is necessary to facilitate the expeditious and equitable construction of local correctional facilities. The greater the percentage of matching funds that a county provides, the higher priority the county shall be given for allocation of moneys.

(2) The county, or a group of counties acting together, have developed a plan that identifies the county continuum of care model for prevention, intervention, supervision, treatment, and incarceration of adult offenders. The plan shall identify how the county will maximize all funding sources (local criminal justice, local social services, federal and state programs, and education) for providing appropriate services for adult offenders. The plan shall demonstrate that the county has utilized, to the greatest extent practicable, alternatives to jail incarceration. The plan also shall identify the capital needs for fully providing the services outlined in the county model.

(d) Counties that have begun to plan, construct, or renovate facilities after January 1, 1995, but prior to the enactment of this title, remain eligible to receive state matching funds.

(e) Counties that contract with private providers for treatment or other services for offenders are eligible to apply for moneys from the fund.

4498.6. (a) The Youthful and Adult Offender Local Facilities Financing Authority is hereby created in the Board of Corrections. The composition of the authority shall be identified in future legislation. The authority shall



evaluate plans prepared pursuant to paragraph (2) of subdivision (c) of Section 4498.4 and paragraph (2) of subdivision (c) of Section 4498.5, approve funding, and administer funds appropriated as specified in subdivision (c) of Section 4498.4 and subdivision (c) of Section 4498.5. Staff support to the authority shall be performed by existing Board of Corrections staff. In addition, the authority may allocate any state and federal juvenile justice grant funds that are appropriated to it by the Legislature.

(b) The Board of Corrections shall not be deemed a responsible agency, as defined in Section 21069 of the Public Resources Code, or otherwise be subject to the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) for any activities undertaken or funded pursuant to this title. This subdivision does not exempt any local agency from the requirements of the California Environmental Quality Act.

4498.7. Money in the funds may only be expended for projects specified in this title as allocated in appropriations made by the Legislature.

### CHAPTER 3. FISCAL PROVISIONS

4498.8. Bonds in the total amount of seven hundred million dollars (\$700,000,000), exclusive of refunding bonds, or so much thereof as is necessary, may be issued and sold to provide funds to be used for carrying out the purposes expressed in this title and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds shall, when sold, be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal of, and interest on, the bonds as the principal and interest become due and payable.

4498.9. The bonds authorized by this title shall be prepared, executed, issued, sold, paid, and redeemed as



provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all of the provisions of that law apply to the bonds and to this title and are hereby incorporated in this title as though set forth in full in this title.

4499. (a) Solely for the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law, of the bonds authorized by this title, the 1996 Youthful and Adult Offender Local Facilities Bond Finance Committee is hereby created. For purposes of this title, the 1996 Youthful and Adult Offender Local Facilities Bond Finance Committee is “the committee” as that term is used in the State General Obligation Bond Law. The committee consists of the Controller, the Treasurer, the Director of Finance, and the Chair of the Board of Corrections, or their designated representatives. The Treasurer shall serve as chairperson of the committee. A majority of the committee may act for the committee.

(b) For purposes of the State General Obligation Bond Law, the Youthful and Adult Offender Local Facilities Financing Authority in the Board of Corrections is designated the “board.”

4499.1. The committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this title in order to carry out the actions specified in Sections 4498.4 and 4498.5 and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

4499.2. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year, and it is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act that is necessary to collect that additional sum.



4499.3. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this title, an amount that will equal the total of the following:

(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this title, as the principal and interest become due and payable.

(b) The sum which is necessary to carry out the provisions of Section 4499.4, appropriated without regard to fiscal years.

4499.4. For the purposes of carrying out this title, the Director of Finance may authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds that have been authorized by the committee to be sold for the purpose of carrying out this title. Any amounts withdrawn shall be deposited in the funds created in Section 4498.3. Any money made available under this section shall be returned to the General Fund, plus an amount equal to the interest the money would have earned in the Pooled Money Investment Account, from money received from the sale of bonds for the purpose of carrying out this title.

4499.5. All money deposited in the funds that is derived from premium and accrued interest on bonds sold shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

4499.6. The bonds may be refunded in accordance with Article 6 of the State General Obligation Bond Law.

4499.7. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, for the purpose of carrying out this title. The amount of the request shall not exceed the amount of the unsold bonds that the committee has, by resolution, authorized to be sold for the purpose of carrying out this title. The board shall execute those documents required by the Pooled Money Investment



Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the board in accordance with this title.

4499.8. Notwithstanding any other provision of this title, or of the State General Obligation Bond Law, if the Treasurer sells bonds that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes subject to designated conditions, the Treasurer may maintain separate accounts for the bond proceeds invested and for the investment earnings on those proceeds, and may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or take any other action with respect to the investment and use of those bond proceeds that is required or desirable under federal law in order to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

4499.9. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this title are not “proceeds of taxes” as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

SEC. 2. Section 1 of this act shall take effect upon the adoption by the voters of the Youthful and Adult Offender Local Facilities Bond Act of 1996, as set forth in Section 1 of this act.

SEC. 3. Notwithstanding Sections 9040, 9043, 9044, 9061, and 9094 of the Elections Code, or any other provision of law, the Secretary of State shall submit Section 1 of this act to the voters at the November 5, 1996, general election in accordance with provisions of the Government Code and the Elections Code governing the submission of statewide measures to the voters.

SEC. 4. Notwithstanding any other provision of law, all ballots of the election shall have printed thereon and in a square thereof, the words: “Youthful and Adult Offender Local Facilities Bond Act of 1996,” and in the



same square under those words, the following in 8-point type: "This act provides for a bond issue of seven hundred million dollars (\$700,000,000) to provide funds for the construction, renovation, remodeling, and replacement of local juvenile and adult correctional facilities." Opposite the square, there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they vote for or against the act.

Where the voting in the election is done by means of voting machines used pursuant to law in the manner that carries out the intent of this section, the use of the voting machines and the expression of the voters' choice by means thereof are in compliance with this section.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for the Youthful and Adult Offender Local Facilities Bond Act of 1996 contained in Section 1 of this act to be included on the November 5, 1996, statewide general election ballot, it is necessary that this act take effect immediately.



Approved \_\_\_\_\_, 1996

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*Governor*

