

ASSEMBLY BILL

No. 1919

Introduced by Assembly Member Quirk

February 11, 2016

An act to amend Section 180260 of the Public Utilities Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1919, as introduced, Quirk. Local transportation authorities: bonds.

The Local Transportation Authority and Improvement Act provides for the creation in any county of a local transportation authority and authorizes the imposition of a retail transactions and use tax by ordinance, subject to approval of the ordinance by 2/3 of the voters. Existing law authorizes the ballot proposition submitted to the voters to include a provision authorizing bonds to be issued that would be payable from the proceeds of the transactions and use tax. Existing law requires the bond proceeds to be placed in the treasury of the local transportation authority and to be used for allowable transportation purposes, except that accrued interest and premiums received on the sale of the bonds are required to be placed in a fund to be used for the payment of bond debt service.

This bill would instead provide for accrued interest and premiums received on the sale of the bonds to be placed in the treasury of the local transportation authority to be used for allowable transportation purposes.

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 180260 of the Public Utilities Code is
2 amended to read:
3 180260. All *bond proceeds, including proceeds from* accrued
4 interest and premiums received on the sale of the ~~bonds~~ *bonds*,
5 shall be placed in the ~~fund to be used for the payment of the~~
6 principal of, and interest on, the bonds, and the remainder of the
7 ~~proceeds of the bonds shall be placed in the~~ treasury of the
8 authority and applied to secure the bonds or for the purposes for
9 which the debt was incurred. However, when the purposes have
10 been accomplished, any money remaining shall be either (a)
11 transferred to the fund to be used for the payment of principal of,
12 and interest on, the bonds or (b) placed in a fund to be used for the
13 purchase of the outstanding bonds in the open market at prices and
14 in the manner, either at public or private sale or otherwise, as
15 determined by the authority. Bonds so purchased shall be canceled
16 immediately.