

EDUCATION CODE - EDC

TITLE 1 GENERAL EDUCATION CODE PROVISIONS [1. - 32527] (*Title 1 enacted by Stats. 1976, Ch. 1010.*)

DIVISION 1 GENERAL EDUCATION CODE PROVISIONS [1. - 32527] (*Division 1 enacted by Stats. 1976, Ch. 1010.*)

PART 10. SCHOOL BONDS [15100 - 17204] (*Part 10 repealed and added by Stats. 1996, Ch. 277, Sec. 2.*)

CHAPTER 18. California School Finance Authority [17170 - 17199.6] (*Chapter 18 added by Stats. 1996, Ch. 277, Sec. 2.*)

17170. This chapter shall be known and may be cited as the California School Finance Authority Act.

(*Added by Stats. 1996, Ch. 277, Sec. 2. Effective January 1, 1997. Operative January 1, 1998.*)

17171. The Legislature hereby finds and declares that it is in the interest of the state and its people for the state to do all of the following:

(a) Reconstruct, remodel, or replace existing school buildings that are educationally inadequate or that do not meet current structural safety requirements.

(b) Acquire new schoolsites and buildings to be made available to school districts, charter schools, and community college districts for the pupils of the public education system, which is a matter of general concern inasmuch as the education of the state's children is an obligation and function of the state.

(c) Assist school districts and community college districts by providing access to financing for working capital and capital improvements.

(*Amended by Stats. 2006, Ch. 325, Sec. 1. Effective January 1, 2007.*)

17172. There is in the state government the California School Finance Authority. The authority is a public instrumentality, and the exercise by the authority of the powers conferred by this chapter is an essential public function.

(*Added by Stats. 1996, Ch. 277, Sec. 2. Effective January 1, 1997. Operative January 1, 1998.*)

17173. As used in this chapter, the following words and terms shall have the following meanings, unless the context indicates or requires another or different meaning or intent:

(a) "Act" means the California School Finance Authority Act.

(b) "Agent" means a county or city board of education or superintendent of schools acting with the board's consent, on behalf of one or more school districts for any purpose of this chapter, the Board of Governors of the California Community Colleges or the Chancellor of the California Community Colleges acting with the Board of Governors' consent, on behalf of one or more community college districts for any purpose of this chapter, and the school district, county office of education, or other chartering entity acting with the consent of, and on behalf of, one or more charter schools for any purpose of this chapter.

(c) "Authority" means the California School Finance Authority, or any board, body, commission, department, or officer succeeding to the principal functions of the authority, or to which the powers conferred upon the authority by this chapter shall be given by law.

(d) "Bonds" or "revenue bonds" means bonds, notes, lease obligations, certificates of participation, commercial paper, and any other evidences of indebtedness.

(e) "Certificate of participation" means an undivided interest in one or more bonds, leases, loans, installment sales, or other agreements of a participating party or parties.

(f) "Charter school" means a school established pursuant to Part 26.8 (commencing with Section 47600) of Division 4 of Title 2.

(g) "Cost," as applied to all or part of a project financed or refinanced pursuant to this chapter, means and includes all or any part of the cost of any of the following:

(1) Construction.

(2) Acquisition or improvement of all lands, structures, real or personal property, rights, rights-of-way, franchises, easements, and interests acquired or used for a project.

(3) Demolition or removal of any buildings or structures on land acquired for a project, including the acquisition of

any lands to which the buildings or structures may be moved.

(4) All machinery and equipment.

(5) Financing or refinancing charges, including, but not limited to, credit enhancement costs, and prepayment penalties.

(6) Interest before, during, and for a period following, the completion of any construction or improvement determined by the authority.

(7) Provisions for working capital.

(8) Reserves for principal and interest, and for extensions, enlargements, additions, replacements, renovations, and improvements.

(9) Engineering, architectural, financial, and legal services, plans, specifications, studies, surveys, estimates, administrative expenses, and other expenses necessary or incident to the construction, acquisition, or improvement of any project or any financing or refinancing under this chapter.

(h) "Educational facility" means any property, facility, structure, equipment, or furnishings used or operated in conjunction with one or more public schools, including charter schools, or community colleges, including, but not limited to, all of the following:

(1) Classrooms.

(2) Auditoriums.

(3) Student centers.

(4) Administrative offices.

(5) Sports facilities.

(6) Maintenance, storage, or utility facilities.

(7) All necessary or usual attendant and related facilities and equipment, including streets, parking, and supportive service facilities or structures required or useful for the effective operation of the educational facility.

(i) "Participating party" means:

(1) A school district, charter school, county office of education, or community college district that undertakes, itself or through an agent, the financing or refinancing of a project or of working capital pursuant to this chapter.

(2) Any person, company, association, state or municipal government entity, partnership, firm, or other entity or group of entities that undertakes the financing or refinancing of a project pursuant to this chapter in conjunction with an entity described in paragraph (1).

(3) "Participating party" shall also be deemed to refer to the agent to the extent the agent is acting on behalf of the school district, charter school, county office of education, or community college district for any purpose of this chapter.

(4) For purposes of subdivision (d) of Section 17183, subdivisions (a) and (b) of Section 17199.1, and Section 17199.4, "participating party" shall be deemed to refer to an entity described in paragraph (1) in conjunction with which an entity described in paragraph (2), if any, applied for financing from the authority.

(j) "Project" means the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing, or equipping of an educational facility to be financed or refinanced pursuant to this chapter. "Project" may include reimbursement for the costs of acquisition, construction, expansion, remodeling, renovation, improvement, furnishing, or equipping of an educational facility to be financed or refinanced pursuant to this chapter, provided that reimbursement from bond proceeds is required to comply with federal tax law in accordance with an opinion of counsel that supports special treatment under federal tax law for the bonds issued for the applicable financing or refinancing. "Project" may include any combination of the foregoing undertaken jointly by any participating party with one or more other participating parties.

(k) "Working capital" means funds to be used by, or on behalf of, a participating party to pay maintenance or operating expenses, or any other costs that would be treated as an expense item under generally accepted accounting principles in connection with the ownership or operation of an educational facility, including, but not limited to, all of the following:

- (1) Reserves for maintenance or operating expenses.
- (2) Interest for a period not to exceed two years on any loan for working capital made pursuant to this chapter.
- (3) Reserves for debt service, and any other costs necessary or incidental to, financing pursuant to this chapter.
- (4) Payments made by a participating party for the rent or lease of an educational facility.

(Amended by Stats. 2014, Ch. 416, Sec. 1. (AB 1979) Effective January 1, 2015.)

17174. (a) The authority shall be comprised of the following members:

- (1) The Treasurer, who shall serve as chairperson.
- (2) The Director of the State Department of Finance.
- (3) The Superintendent of Public Instruction.

(b) Each member of the authority may designate an individual from the member's department or agency to act for the member and represent the member at all meetings.

(c) Members of the authority or their designees shall serve without compensation, but may be reimbursed by the authority for necessary and reasonable expenses incurred in the discharge of their duties.

(Added by Stats. 1996, Ch. 277, Sec. 2. Effective January 1, 1997. Operative January 1, 1998.)

17175. (a) Upon the first appointment of its members, and thereafter on or after March 31 of each year, the authority shall elect from its members a vice chairperson and a secretary-treasurer, who shall hold office until the following March 31, and shall continue to serve until their successors have been elected.

(b) On behalf of the authority, the chairperson shall appoint an executive director, who shall not be a member of the authority, and who shall serve at the pleasure of the authority. The executive director shall receive the compensation fixed for that purpose by the authority.

The authority may delegate to the executive director or any other official or employee of the authority any powers and duties that the authority deems proper, including, but not limited to, the power to enter into contracts on behalf of the authority.

(Amended by Stats. 2008, Ch. 211, Sec. 1. Effective January 1, 2009.)

17176. (a) Except as otherwise provided by subdivision (b), the Attorney General shall be the legal counsel for the authority.

(b) Upon the approval of the Attorney General, which shall not be unreasonably withheld, the authority may employ legal counsel as, in its judgment, is necessary or advisable to enable it to carry out the duties and functions of the authority pursuant to this chapter, including, but not limited to, the employment of bond counsel in connection with the issuance of bonds.

(Added by Stats. 1996, Ch. 277, Sec. 2. Effective January 1, 1997. Operative January 1, 1998.)

17177. The executive director or other person designated by resolution of the authority shall maintain a record of the proceedings of the authority, and shall be custodian of all books, documents, and papers filed with the authority, the minute book or journal of the authority, and its official seal. The executive director or the designee may cause copies to be made of all minutes and other records and documents of the authority, and may certify under the official seal of the authority that the copies are true copies, and all persons dealing with the authority may rely upon that certification.

(Added by Stats. 1996, Ch. 277, Sec. 2. Effective January 1, 1997. Operative January 1, 1998.)

17178. Two members of the authority shall constitute a quorum. The affirmative vote of a majority of a quorum shall be necessary for any action taken by the authority. A vacancy in the membership of the authority shall not impair the right of a quorum to exercise all the rights and perform all the duties of the authority. Each meeting of the authority shall be open to the public and shall be held in accordance with Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code. Resolutions of the authority need not be published or posted. The authority may delegate by resolution to one or more of its members or its executive director any powers and duties as it may deem proper.

(Added by Stats. 1996, Ch. 277, Sec. 2. Effective January 1, 1997. Operative January 1, 1998.)

17179. The provisions of this chapter shall be administered by the authority, which shall have and is hereby vested with all powers reasonably necessary to carry out the powers and responsibilities expressly granted or imposed under this chapter.

(Added by Stats. 1996, Ch. 277, Sec. 2. Effective January 1, 1997. Operative January 1, 1998.)

17180. The authority is hereby authorized to do all of the following:

- (a) Adopt bylaws for the regulation of its affairs and the conduct of its business.
- (b) Adopt an official seal.
- (c) Sue and be sued in its own name.
- (d) Receive and accept gifts, grants, or donations of money for any of the purposes of this chapter from any of the following:
 - (1) A federal agency.
 - (2) A state agency.
 - (3) A municipality, county, or other political subdivision of the state.
 - (4) An individual, association, or corporation.
- (e) Engage the services of private consultants to render professional and technical assistance and advice in carrying out the purposes of this chapter.
- (f) (1) Determine the location and character of any project to be financed or refinanced under this chapter, and acquire, construct, enlarge, remodel, renovate, alter, improve, furnish, equip, own, maintain, manage, repair, operate, lease as lessee or lessor, or regulate the same.
 - (2) Designate a participating party as its agent, with authority to enter into contracts, for any of the purposes specified in paragraph (1).
 - (3) Enter into contracts for any of the purposes specified in paragraph (1).
 - (4) Enter into contracts for the management and operation of a project owned by the authority.
- (g) Acquire, directly or by and through a participating party as its agent, by purchase solely from funds provided pursuant to this chapter, or by gift or devise, and sell, by installment or otherwise, property, rights, rights-of-way, franchises, easements, and other interests in lands, including, but not limited to, lands lying under water, and riparian rights, located within the state that the authority deems necessary or convenient for the acquisition, construction, financing, or operation of a project. The authority may do so upon the terms, and at the prices, it considers reasonable and upon which it can agree with the owner, and may take the title to the interest in the name of the authority or in the name of a participating party as its agent.
- (h) Receive and accept from any source loans, contributions, or grants for, or in aid of, the construction, financing, or refinancing of all or part of a project, in the form of money, property, labor, or other things of value.
- (i) Pursuant to an agreement between the authority and the participating party, make, directly or through a lending institution, secured or unsecured loans to a participating party, or purchase secured or unsecured loans from a participating party, or purchase all or part of any participating party's rights to or possibilities regarding the state share of funding for school facilities approved by the State Allocation Board pursuant to Chapter 12.5 (commencing with Section 17070.10). The purchase of all or part of any rights to, or possibilities regarding, the state contribution for funding for school facilities approved by the State Allocation Board shall be limited to amounts approved and funded or amounts approved but not yet funded from proceeds of state bonds already authorized by the electors but not yet issued. Loans or purchases completed pursuant to this section may be used to finance or refinance a project or provide working capital. A loan to finance or refinance a project shall not exceed the total cost of the project, as determined by the participating party and approved by the authority.
- (j) Upon the terms and conditions the authority deems proper, lease a project being financed or refinanced pursuant to this chapter to a participating party, and charge and collect rent therefor. The authority may terminate a lease pursuant to this subdivision upon the lessee's failure to comply with any of its obligations under the lease. The lease may include any of the following provisions:
 - (1) That the lessee shall have the option to renew the term of the lease for the period or periods, and at the rent, determined by the authority, or to purchase any or all of the project.
 - (2) That upon payment by the participating party of all of the indebtedness incurred by the authority for the financing of the project or for the refinancing of the participating party's outstanding indebtedness, the authority

may convey any or all of the project to the lessee or lessees, with or without further consideration.

(k) Charge and equitably apportion among participating parties its administrative costs and expenses incurred pursuant to this chapter.

(l) (1) Obtain, or aid in obtaining, from any state or federal agency or any private company, any insurance, guarantee, letter, or line of credit regarding, or of, or for, the payment or repayment of all or part of the interest, principal, or both, on any loan, lease, or obligation, or any instrument evidencing or securing the same, made or entered into pursuant to this chapter, or on any bonds issued pursuant to this chapter.

(2) Notwithstanding any other provision of this chapter, enter into any agreement, contract, or any other instrument regarding any insurance, guarantee, letter, or line of credit specified in paragraph (1), and accept payment in the manner and form provided in the agreement, contract, or instrument if a participating party defaults.

(3) Assign any insurance, guarantee, letter, or line of credit specified in paragraph (1) as security for bonds issued by the authority.

(m) Enter into any agreements or contracts, including, but not limited to, agreements for liquidity or credit enhancement, execute any instruments, and any other act or thing necessary, convenient, or desirable for the purposes of the authority or to carry out any express power granted the authority pursuant to this chapter.

(n) At the discretion of the authority, invest any moneys held in reserve or in sinking funds, or any moneys not required for immediate use or disbursement, in obligations authorized by the resolution authorizing the bonds secured by the investment, or by law governing the investment of trust funds in the custody of the Treasurer.

(o) Adopt guidelines for grants, bonds, and other evidences of indebtedness.

(Amended by Stats. 2012, Ch. 38, Sec. 31. (SB 1016) Effective June 27, 2012.)

17180.5. (a) In addition to the powers authorized pursuant to Section 17180, the authority shall perform its duties under the Charter School Facilities Program to provide funding for facilities for charter school pupils as set forth in Article 12 (commencing with Section 17078.50) of Chapter 12.5.

(b) Notwithstanding any provision of law to the contrary, including, but not limited to, Section 17197, with regard to the authority's implementation of funding for charter school facilities, Article 12 (commencing with Section 17078.50) shall control over conflicting provisions, if any, in this chapter.

(Added by Stats. 2002, Ch. 935, Sec. 15. Effective January 1, 2003.)

17181. (a) The California School Finance Authority Fund is hereby created in the State Treasury, to be administered by the authority. Notwithstanding Section 13340 of the Government Code, all moneys in the fund shall be continuously appropriated without regard to fiscal year for the purposes of this chapter. The authority may pledge any or all of the moneys in the fund as security for payment of the principal of, and interest on, any particular issuance of bonds pursuant to this chapter. For that purpose, or as necessary or convenient to the accomplishment of any other purpose of this chapter, the authority may divide the fund into separate accounts. All moneys accruing to the authority pursuant to this chapter from any source shall be deposited in the fund.

(b) Subject to any priorities created by the pledge of particular moneys in the fund to secure any issuance of bonds of the authority, and to reasonable administrative costs incurred by the authority in implementing this chapter, all moneys in the fund, regardless of the source, shall be held in trust for the security and payment of bonds of the authority, and shall not be used or pledged for any other purpose while any bonds are outstanding and unpaid. Nothing in this subdivision shall be construed to limit the power of the authority to make loans with bond proceeds in accordance with the terms of the resolution authorizing the issuance of those bonds.

(c) Pursuant to any agreements with the holders of particular bonds pledging any particular assets, revenues, or moneys, the authority may create separate accounts in the fund to manage the assets, revenues, or moneys in the manner prescribed by the agreements.

(d) From time to time, the authority may direct the Treasurer to do any of the following:

(1) Invest moneys in the fund which are not required for its current needs, including, but not limited to, proceeds from the sale of any bonds in eligible securities specified in Section 16430 of the Government Code and designated by the authority, or in any other securities or obligations designated by the authority, in the resolution authorizing the issuance of the bonds payable or secured by the moneys.

(2) Deposit moneys in the fund in interest bearing accounts in state or national banks or other financial institutions having principal offices in the state.

(3) Transfer moneys in the fund to the Surplus Money Investment Fund for investment pursuant to Article 4 (commencing with Section 16470) of Chapter 3 of Part 4 of Division 4 of Title 2 of the Government Code.

Notwithstanding Section 16305.7 of the Government Code, all interest or other earnings resulting from an investment or deposit pursuant to this subdivision shall be deposited in the fund.

(e) Except as otherwise provided in paragraph (3) of subdivision (d), no moneys in the fund shall be subject to transfer to any other fund pursuant to any provision of Part 2 (commencing with Section 16300) of Division 4 of Title 2 of the Government Code.

(Added by Stats. 1996, Ch. 277, Sec. 2. Effective January 1, 1997. Operative January 1, 1998.)

17182. (a) Except as otherwise provided in subdivision (b), all expenses incurred by the authority in implementing this chapter shall be payable solely from funds appropriated for purposes of this chapter, and the authority shall not incur liabilities in excess of the amount of those funds.

(b) The authority may request a loan by the Pooled Money Investment Board from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, and may execute those documents required by the Pooled Money Investment Board to obtain and repay the loan. The loan shall be deposited in the fund for the purposes of carrying out the provisions of this chapter. The amount of the loan shall not exceed the amount of the unsold bonds that the authority by resolution, has authorized to be sold for the purposes of this chapter.

(Added by Stats. 1997, Ch. 893, Sec. 92. Effective January 1, 1998.)

17183. (a) From time to time, the authority, by resolution, may issue its revenue bonds in order to provide funds for any of the purposes of this chapter. Bonds may be issued to finance or refinance any of the following:

- (1) A single project or financing of working capital for a single participating party.
- (2) A series of projects or financings of working capital for a single participating party.
- (3) A single project or financing of working capital for several participating parties.
- (4) Several projects or financings of working capital for several participating parties.
- (5) A joint venture school facilities construction project undertaken pursuant to Article 5 (commencing with Section 17060) of Chapter 12.

(b) Except as otherwise expressly provided by the authority, all revenue bonds shall be payable from any available revenues or moneys of the authority not otherwise pledged, subject only to any agreements with holders of particular bonds or notes pledging any particular revenue or moneys. Notwithstanding that revenue bonds issued pursuant to this section may be payable from a special fund, the revenue bonds shall be, and shall be deemed to be for all purposes, negotiable instruments, subject only to the provisions of the revenue bonds for registration.

(c) The revenue bonds of the authority may be issued as serial bonds, term bonds, or the authority, in its discretion, may issue bonds of both types. The issuance shall be in accordance with the indenture, trust agreement, or resolution relating to the revenue bonds, which shall provide all of the following:

- (1) The date or dates of the bonds.
- (2) The date or dates upon which the bonds will mature, not to exceed 40 years from their respective dates.
- (3) The interest rate or rates, or methods of determining the interest rate or rates, of the bonds.
- (4) When the bonds are payable.
- (5) The denominations of the bonds.
- (6) The form of the bonds, which shall be either bearer or registered.
- (7) The registration privileges of the bonds.
- (8) The manner in which the bonds are to be executed.
- (9) The place or places at which the bonds shall be payable in lawful money of the United States of America.
- (10) The terms of redemption of the bonds.

(d) After giving due consideration to the recommendations of the participating party or parties, the revenue bonds of the authority shall be sold by the Treasurer at either a public or private sale at a price or prices, and upon the terms

and conditions prescribed by the authority. The revenue bonds of the authority may be sold at, above, or below the par value of the bonds.

(e) Pending the preparation of the definitive bonds, the authority may issue interim receipts or certificates or temporary bonds that shall be exchanged for the definitive bonds.

(f) Any resolution authorizing the issuance of any bonds of the authority, or any issue of revenue bonds of the authority, may include any of the following provisions:

- (1) Provisions pledging all or any part of the proceeds of the bonds or revenue of a project or loan.
- (2) Provisions concerning the replacement of mutilated, destroyed, stolen, or lost bonds.
- (3) Provisions specifying insurance to be maintained on the project and the authorized uses of the proceeds of the insurance.
- (4) Covenants against the mortgaging or otherwise encumbering, selling, leasing, pledging, placing a charge upon, or otherwise disposing of the project before the payment of the bonds issued to finance the project.
- (5) Provisions specifying the events of default, terms upon which the bonds may be declared due before maturity, and the terms upon which the declaration and its consequences may be waived.
- (6) The rights, liabilities, powers, and duties arising upon the breach of any covenants, conditions, or obligations.
- (7) Vesting of the right to enforce covenants in a trustee.
- (8) The terms upon which all or any percentage of the bondholders may enforce covenants or duties.
- (9) Procedures for amending the terms of the resolution, with or without the consent of the holders of a specified number of bonds.
- (10) Provision for any other acts or things deemed necessary, convenient, or desirable by the authority to secure the bonds or improve their marketability.

(g) The validity of the authorization and issuance of any bond issue shall not be affected by proceedings for the acquisition, construction, or improvement of any project, or by contracts relating to those proceedings. Any resolution authorizing the issuance of any bonds of the authority may provide authorization for the bonds to bear a statement certifying that they are issued pursuant to this chapter. Bonds bearing that statement shall be conclusively deemed valid and issued in conformity with this chapter. Reference on the face of the bonds to the resolution by its date of adoption shall incorporate the provisions of the resolution and of this chapter into the terms of the bonds.

(h) Members of the authority, or any person executing the revenue bonds of the authority, shall not incur personal liability on the bonds, nor shall these persons incur personal liability or accountability by reason of the issuance of the revenue bonds of the authority.

(i) The authority is authorized, out of any funds available for that purpose, to purchase revenue bonds of the authority. The authority may hold, pledge, cancel, or resell any bonds purchased under the authority of this subdivision, subject to, and in accordance with, agreements with bondholders.

(j) The financing or refinancing of projects or working capital may be provided pursuant to this chapter by means other than revenue bonds, at the discretion of the authority, including financing or refinancing through certificates of participation, or other interests, in bonds, loans, leases, installment sales, or other agreements of the participating party or parties. In this connection, the authority may do all things and execute and deliver all documents and instruments as may be necessary or desirable with regard to issuance of the certificates of participation or other means of financing or refinancing.

(k) The authority may by resolution issue its revenue bonds in the form of commercial paper.

(Amended by Stats. 2012, Ch. 38, Sec. 32. (SB 1016) Effective June 27, 2012.)

17183.5. In enacting this chapter, it is the intent of the Legislature to provide financing only for projects demonstrated by the participating party to be financially feasible. In demonstrating financial feasibility, the participating party may take into account all of its funds, and may base future projections upon historical experience or reasonable expectations, or a combination thereof. Nothing in this section shall be construed to imply that any project is required to produce revenue in order to be financed under this chapter.

(Amended by Stats. 2006, Ch. 325, Sec. 5. Effective January 1, 2007.)

17184. (a) In the discretion of the authority, any revenue bonds of the authority issued under this chapter may be secured by a trust agreement, or by indenture by and between the authority and a corporate trustee or trustees, including the Treasurer or any trust company or bank having the powers of a trust company within or outside the state.

(b) Any trust agreement, indenture, or any resolution providing for the issuance of bonds of the authority, may pledge or assign the proceeds of the bonds, and the revenues to be received by, a participating party or parties.

(c) Any trust agreement, indenture, or resolution providing for the issuance of revenue bonds of the authority may include any provisions for the protection of, and the enforcement of the rights and remedies of, bondholders as may be reasonable and proper and not in violation of any law, including provisions included in any resolution or resolutions of the authority provided under subdivision (a) or (b).

(d) Any trust agreement or indenture may prescribe the rights and remedies of the bondholders, and of the trustee or trustees, and may restrict the individual right of action of the bondholders.

(e) Any trust agreement, indenture, or resolution may include any other provisions deemed by the authority to be reasonable and proper for the security of the bondholders.

(f) Notwithstanding any other provision of law, the Treasurer shall not be deemed to have a conflict of interest by reason of his or her capacity as trustee pursuant to this chapter.

(Amended by Stats. 2006, Ch. 325, Sec. 6. Effective January 1, 2007.)

17185. (a) Notwithstanding any other provision of law, revenue bonds issued under this chapter are not and shall not be deemed to constitute a debt or liability of the state, or any political subdivision thereof, and are not and shall not be deemed to be a pledge of the faith and credit of the state, or any political subdivision thereof, other than the authority. Revenue bonds of the authority shall be payable solely from funds provided under this chapter.

(b) Each revenue bond of the authority shall include a statement on the face of the bond that neither the State of California nor the authority is obligated to pay the principal or interest thereon, except from revenues of the authority, and shall also include a statement that neither the faith or credit, nor the taxing power of the State of California, or any political subdivision, is pledged to the payment of the principal or interest of the bonds.

(c) The issuance of revenue bonds under this chapter shall not directly, indirectly, or contingently obligate the state, or any political subdivision thereof, to levy or pledge any form of taxation, or make any appropriation for their payment.

(Amended by Stats. 2006, Ch. 325, Sec. 7. Effective January 1, 2007.)

17186. (a) Any holder of revenue bonds issued under this chapter, or any coupons appertaining thereto, or the trustee or trustees under any trust agreement, indenture, or resolution, may, either at law or in equity, by suit, action, mandamus, or other proceedings, protect and enforce any rights conferred under state law, by this chapter, or under the terms of any trust agreement, indenture, or resolution, except to the extent that these rights may be otherwise restricted by any resolution authorizing the issuance of these bonds, or by any trust agreement or indenture securing these bonds.

(b) Any holder of revenue bonds issued under this chapter, or any coupons appertaining thereto, or the trustee or trustees under any trust agreement, indenture, or resolution, may enforce and compel the performance of all duties required under this chapter, or by any trust agreement, indenture, or resolution, to be performed by the authority, or by any officer, employee, or agent of the authority.

(Added by Stats. 1996, Ch. 277, Sec. 2. Effective January 1, 1997. Operative January 1, 1998.)

17187. All moneys received under this chapter, whether received as proceeds from the sale of revenue bonds or as revenues, are trust funds to be held and applied solely as provided in this chapter. Any officer, bank, or trust company with whom those moneys have been deposited, shall act as trustee of those moneys and shall hold and apply them for those purposes, subject to the requirements of this chapter and the resolution authorizing the bonds of any issue, or the trust agreement or indenture securing those bonds, may provide.

(Added by Stats. 1996, Ch. 277, Sec. 2. Effective January 1, 1997. Operative January 1, 1998.)

17188. (a) The authority may provide for the issuance of the revenue bonds of the authority for the purpose of refunding any bonds, or any series or issue of the revenue bonds of the authority then outstanding, and may include the payment of any redemption premium for those bonds and any interest accrued or to accrue to the date of redemption and purchase or maturity of those bonds.

(b) The proceeds of any bonds issued for the purpose of refunding of outstanding bonds may, in the discretion of the

authority, be applied to the purchase or redemption prior to maturity or retirement at maturity of the outstanding bonds on their earliest or any subsequent redemption date or upon the purchase or at the maturity thereof, or paid to a third person to assume the authority's obligation to make those payments, and may, pending that application, be placed in escrow to be applied to the purchase or retirement at maturity or redemption on any date or dates as may be determined by the authority.

(c) Any escrowed proceeds, pending such use may be invested and reinvested in obligations or securities authorized by resolution of the authority, maturing at any time or times as shall be appropriate to assure the prompt payment, as to principal, interest, and redemption premium, if any, of the outstanding bonds to be so refunded. The interest, income and profits, if any, earned or realized on any investment may also be applied to the payment of the outstanding bonds to be so refunded or of interest in the refunding bonds. After the terms of the escrow have been fully satisfied and carried out, any balance of proceeds and interest, income profits, if any, earned or realized on the investments thereof may be returned to the authority for use by it in any lawful manner.

(d) All refunding bonds are subject to the provisions of this chapter, in the same manner and to the same extent, as other bonds issued pursuant to this chapter.

(Added by Stats. 1996, Ch. 277, Sec. 2. Effective January 1, 1997. Operative January 1, 1998.)

17189. (a) Revenue bonds issued by the authority under this chapter shall be designated as securities in which all banks, bankers, savings banks, trust companies, and other persons engaged in a banking business; all insurance companies, insurance associations, and other persons carrying on an insurance business; any administrators, executors, guardians, trustees, and other fiduciaries; and any other persons who are now or who may hereafter be authorized to invest in bonds or other obligations of the state, may properly and legally invest any funds, including capital belonging to them or within their control.

(b) Revenue bonds issued by the authority under this chapter, other notes or securities, or obligations are hereby made securities which may properly and legally be deposited with, and received by, any state or municipal officer, or agency of the state for any purpose for which the deposit of bonds or other obligations of the state are, or may hereafter be, authorized by law.

(Added by Stats. 1996, Ch. 277, Sec. 2. Effective January 1, 1997. Operative January 1, 1998.)

17190. (a) Any bonds issued under this chapter, their transfer, and income therefrom shall at all times be free from taxation of every kind by the state and by all political subdivisions of the state.

(b) The authority is not required to pay any taxes or assessments upon, or with respect to, any project or property acquired by or for the authority under this chapter, or upon any income therefrom, or on or from any other assets or operations of the authority.

(Added by Stats. 1996, Ch. 277, Sec. 2. Effective January 1, 1997. Operative January 1, 1998.)

17191. (a) The State of California pledges and agrees with the holders of the bonds issued pursuant to this chapter, and with those parties who may enter into contracts with the authority pursuant to the provisions of this chapter, that the state will not limit, alter, or restrict the rights hereby vested in the authority to finance educational facilities. The State of California pledges and agrees to fulfill the terms of any agreements made with the holders of bonds authorized by this chapter, and with the parties who may enter into contracts with the authority pursuant to this chapter, and pledges and agrees not to impair the rights or remedies of the holders of any revenue bonds or any parties until the bonds, together with interest, are fully paid and discharged and any contracts are fully performed on the part of the authority.

(b) The authority shall have the right to include the pledges made pursuant to this section in its revenue bonds and contracts.

(Added by Stats. 1996, Ch. 277, Sec. 2. Effective January 1, 1997. Operative January 1, 1998.)

17192. (a) Pledges by or to the authority of revenues, moneys, accounts, accounts receivable, contract rights, or other rights to payment of any other kind made by or to the authority pursuant to this chapter shall be valid and binding from the time the pledge is made for the benefit of the pledges, and the successors thereto.

(b) The revenues, moneys, accounts, accounts receivable, and other rights to payment of any other kind pledged by or to the authority or its assignees, shall immediately be subject to the lien of the pledge without physical delivery, or any further act. The lien of any pledge shall be valid and binding against all parties, irrespective of whether the parties have notice of the claim. The trust agreement, indenture, resolution, or other instrument by which any pledge is created need not be recorded.

(Added by Stats. 1996, Ch. 277, Sec. 2. Effective January 1, 1997. Operative January 1, 1998.)

17193. (a) The authority shall fix, revise, charge, and collect rents for the use of each project owned by the authority, and may contract with any person, partnership, association, corporation, or other body, whether public or private, for that purpose. Any lease entered into by the authority with a participating party, and each agreement, note, or other instrument evidencing the obligations of a participating party to the authority, shall provide that the rents or principal, interest, and other charges payable by the participating party shall be sufficient to provide for all of the following:

- (1) To pay the principal, sinking fund payments, if any, premiums, if any, and the interest on outstanding bonds of the authority issued in respect of the project when due and payable.
- (2) To create and maintain reserves that may, but need not necessarily be required or provided for, in the resolution relating to the revenue bonds of the authority.
- (3) To pay its share of the administrative costs and expenses of the authority.

(b) The authority shall pledge the revenues derived and to be derived from a project or from a participating party for the purposes specified in paragraphs (1), (2), and (3) of subdivision (a). The authority may issue additional revenue bonds that may be ranked on a parity with other bonds relating to the project to the extent, and under the terms and conditions provided, in the bond resolution.

(c) The authority and a participating party may include in any lease or agreement between them or with a credit provider any terms and conditions relating to insurance, liquidity, or credit enhancement of the bonds, or any other lawful terms and conditions the authority deems necessary or desirable to facilitate the purposes of this chapter.

(Amended by Stats. 2006, Ch. 325, Sec. 8. Effective January 1, 2007.)

17194. The authority may authorize any participating party to act as its agent in the performance of acts specifically approved by the authority, and all acts required under Article 3 (commencing with Section 17280) of Chapter 3 of Part 10.5. The authorizations may include, but are not necessarily limited to, all of the following:

- (a) The selection of school or college sites.
- (b) The securing of appraisals.
- (c) Contracts for architectural services.
- (d) The advertisement for construction bids and the entry into contracts for construction.
- (e) The purchase of furniture and equipment.

(Amended by Stats. 2006, Ch. 325, Sec. 10. Effective January 1, 2007.)

17195. Whenever the principal and interest on bonds issued by the authority to finance the cost of a project or working capital, or to refinance the outstanding indebtedness of one or more participating parties, including any refunding bonds issued to refund and refinance those bonds, have been fully paid or retired, or whenever adequate provision has been made to fully pay and retire the bonds, and all other conditions of the resolution, lease, trust indenture and any security interest, or any other instrument or instruments authorizing and securing the bonds have been satisfied and the lien of security interest has been released in accordance with those provisions, the authority shall promptly provide for and execute any releases, release deeds, reassignments, deeds, and conveyances as are necessary and required to convey or release its rights, title, and interest in the project financed, to the participating parties.

(Amended by Stats. 2006, Ch. 325, Sec. 11. Effective January 1, 2007.)

17196. (a) This chapter shall be deemed to provide a complete, additional, and alternative method for accomplishing the acts authorized in this chapter, and shall be deemed as being supplemental and additional to the powers conferred by other applicable laws, except that the issuance of revenue bonds and refunding bonds and the undertaking or projects or financings under this chapter need not comply with the requirements of any other laws applicable to the issuance of bonds, including, without limitation, Division 13 (commencing with Section 21000) of the Public Resources Code.

(b) Except as provided in subdivision (a), the financing of a project under this chapter shall not exempt a project from any of the requirements of law which are otherwise applicable to the project.

(Added by Stats. 1996, Ch. 277, Sec. 2. Effective January 1, 1997. Operative January 1, 1998.)

17197. To the extent that the provisions of this chapter are inconsistent with any other provisions of any general statute, or a special act or parts thereof, the provisions of this chapter shall be deemed controlling.

(Added by Stats. 1996, Ch. 277, Sec. 2. Effective January 1, 1997. Operative January 1, 1998.)

17198. Any net earnings of the authority beyond that necessary for the retirement of any obligations issued by the authority, or to implement the purposes of this chapter, may inure only to the benefit of the State of California or the authority.

(Added by Stats. 1996, Ch. 277, Sec. 2. Effective January 1, 1997. Operative January 1, 1998.)

17199. Upon the dissolution of the authority, title to all property owned by the authority shall vest in the successor authority created by the Legislature, if any, if the successor authority meets the requirements of Section 103 of the federal Internal Revenue Code of 1954, as amended, and its implementing regulations, as an authority entitled to issue obligations on behalf of the State of California, the interest from which is exempted from federal income taxation.

In the event that a successor authority is not created, title to all property owned by the authority shall vest in the State of California.

(Added by Stats. 1996, Ch. 277, Sec. 2. Effective January 1, 1997. Operative January 1, 1998.)

17199.1. (a) Any participating party, exclusively for the purpose of securing financing or refinancing of projects or working capital pursuant to this chapter through the issuance, by the authority, of revenue bonds, certificates of participation, or other means, and notwithstanding any other law, may do any of the following:

(1) Sell to the authority all or part of any rights to or possibilities regarding the state's share of funding for school facilities approved by the State Allocation Board pursuant to Chapter 12.5 (commencing with Sec. 17070.10), including amounts apportioned and funded and amounts approved but not yet funded by the State Allocation Board from proceeds of state bonds already authorized by the electors but not yet issued.

(2) Issue bonds to the authority.

(3) Borrow money or purchase or lease educational facilities from the authority, and in connection with the borrowing, purchase, or lease, sell or lease property to the authority, in each case at any interest rate or rates, rental provisions, with any maturity date or dates or term, and with any other transfer, assignment, payment, security, default, remedy, and other terms or provisions as may be specified in the sale of rights agreement or the bonds of the participating party or a loan, loan purchase, installment sale, lease, or other agreement between the authority and the participating party, subject to the following conditions:

(A) (i) The sum of the amount borrowed to finance or refinance working capital and the interest payable on the working capital assumed at the initial interest rate if interest is variable, shall not exceed 85 percent of the estimated amount of uncollected taxes, income, revenue, cash receipts, and other funds to be received by the participating party, which:

(I) In the case of a school district, community college district, or county office of education, will be available in the fiscal year of the borrowing.

(II) In the case of a charter school, will be available during the term of the loan, for the repayment of the loan and the interest on the loan.

(ii) For purposes of this paragraph, "revenue" includes, but is not limited to, federal and state funds received by the participating party.

(B) In computing the maximum amount that may be borrowed pursuant to subparagraph (A), the participating party may exclude the amount of any principal or interest that is secured by a pledge of the amount in any inactive or term deposit of the participating party that has a term scheduled to terminate:

(i) In the case of a school district, community college district, or county office of education, during the fiscal year of the borrowing.

(ii) In the case of a charter school, during the term of the loan.

(C) A participating party that borrows money to finance or refinance working capital pursuant to this subdivision shall be required to repay and discharge the loan, including interest, within 15 months of the loan date.

(D) In enacting this chapter, it is the intent of the Legislature to provide financing or refinancing of working capital needed to cover temporary or cashflow deficits and needs for working capital and not long-term budget

deficits or shortfalls in funding. The participating party must demonstrate to the satisfaction of the authority that, during the term of any working capital loan received pursuant to this chapter, the participating party will receive or otherwise have (without additional borrowing) sufficient funds to repay and discharge the loan. The participating party may take into account all funds received by the participating party and may base future projections upon historical experience or reasonable expectations, or a combination of both.

(b) Notwithstanding Sections 700, 703, and 1045 of the Civil Code, the rights and possibilities that a participating party may have or obtain in the future to an approved state contribution to funding for school facilities pursuant to Chapter 12.5 (commencing with Section 17070.10) that remains unfunded pending the issuance of state bonds already authorized by the electors shall constitute property for all purposes and may be transferred as provided in subdivision (a). In the case of any transfer or assignment of rights or possibilities relating to funds for which bonds have been approved by the voters but are not yet available, the transfer or assignment shall be approved by resolution of the State Allocation Board before becoming effective.

(c) Any participating party may enter into any agreement for liquidity or credit enhancement, with any reimbursement, payment, interest, security, default, remedy, and other terms it may deem necessary or appropriate in connection with the issuance of bonds, the borrowing of money, or the lease or purchase of educational facilities, whichever is applicable. Any participating party or parties also may do all things and execute all documents as may be necessary or desirable in connection with the issuance of certificates of participation, or other interests, in any bond, loan, note, installment sale, lease, or other agreement of the participating party.

(d) A school district, by resolution, may authorize any county or city board of education or superintendent of schools, a community college district, by resolution, may authorize the Board of Governors of the California Community Colleges or the Chancellor of the California Community Colleges, and a charter school, by resolution, may authorize its chartering entity or educational management organization, to act as its agent in the performance of any of the matters permitted by this section or any other provision of this chapter. Notwithstanding any other law, the agent shall have the powers granted by the resolution for purposes of this chapter. The resolution shall be deemed to bind the school district, charter school, or community college district, as the case may be, to any contract, agreement, instrument, or other document executed by the agent on behalf of the school district, charter school, or community college district, and all duties, obligations, or responsibilities contained in the contract, agreement, instrument, or other document on the part of the school district, charter school, or community college district, to the same extent as if duly authorized, executed, and delivered by the school district, charter school, or community college district.

(e) This section shall be deemed to provide a complete, additional, and alternative method for accomplishing the acts authorized by this section, and the sale or transfer of any rights to or possibilities regarding the state share of funding for school facilities approved by the State Allocation Board, including amounts apportioned and funded and amounts approved but not yet funded from proceeds of state bonds already authorized by the electors but not yet issued, issuance of bonds to, borrowing of money from, or sale or purchase or lease of educational facilities from or to, the authority. Any agreement entered into in connection with the transfer of any rights to or possibilities regarding the state contribution for funding for school facilities pursuant to Chapter 12.5 (commencing with Section 17070.10), including amounts apportioned and funded and amounts approved but not yet funded by the State Allocation Board from proceeds of state bonds already authorized by the electors but not yet issued, or the issuance of bonds, the borrowing of money, or the sale, purchase, or lease of educational facilities, including, without limitation, any agreement for liquidity or credit enhancement under this section, need not comply with the requirements of any other law applicable to issuance of bonds, borrowing, selling, purchasing, leasing, pledge, encumbrance, or credit, as the case may be, by a school district, charter school, or community college district, or by a county or city board of education or superintendent of schools, or the Board of Governors of the California Community Colleges or Chancellor of the California Community Colleges, or the governing board of a charter school, chartering entity, or educational management organization.

(Amended by Stats. 2012, Ch. 38, Sec. 34. (SB 1016) Effective June 27, 2012.)

17199.15. Notwithstanding any other law, if any bonds that were issued for purposes of borrowing pursuant to paragraph (3) of subdivision (a) of Section 17199.1 to fund several financings of working capital for several participating parties under a single resolution remain outstanding, each participating party for which those bonds were issued is ineligible to be a debtor in a case under Chapter 9 of the United States Bankruptcy Code (Chapter 9 (commencing with Section 901) of Title 11 of the United States Code), as that chapter may be amended from time to time, and no governmental officer or organization is or may be empowered to authorize a participating party to be a debtor under that chapter.

(Added by Stats. 2020, Ch. 110, Sec. 5. (SB 820) Effective September 18, 2020.)

17199.2. An action may be commenced under Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure to determine the validity of any issuance or proposed issuance of revenue bonds, the loan of the proceeds thereof, the sale, purchase, or lease of facilities under this chapter, or the legality and validity of any proceedings previously taken or proposed in a resolution of the authority to be taken for the authorization, issuance, sale, and delivery of the bonds, for the use of the proceeds thereof, or for the payment of the principal and interest thereon.

(Added by Stats. 1996, Ch. 277, Sec. 2. Effective January 1, 1997. Operative January 1, 1998.)

17199.3. (a) The total amount of revenue bonds that may be issued and outstanding at any time for purposes of this chapter shall not exceed four billion four hundred million dollars (\$4,400,000,000).

(b) For purposes of subdivision (a) bonds that meet any of the following conditions shall not be deemed to be outstanding:

- (1) Bonds that have been refunded pursuant to Section 17188.
- (2) Bonds for which money or securities in amounts necessary to pay or redeem the principal, interest, or any redemption premium on the bonds have been deposited in trust.
- (3) Bonds that have been issued to finance or refinance working capital.

(Amended by Stats. 2014, Ch. 416, Sec. 3. (AB 1979) Effective January 1, 2015.)

17199.4. (a) Notwithstanding any other law, any participating party, in connection with securing financing or refinancing of projects, or working capital pursuant to this chapter, may, in accordance with this section, elect to provide for funding, in whole or in part, one or more of the following:

- (1) Payments on authority bonds.
- (2) Payments under credit enhancement or liquidity support agreements in connection with authority bonds.
- (3) Amounts pledged or assigned under one or more pledges or assignments to pay authority bonds or obligations under these credit enhancement or liquidity support agreements.
- (4) Payments to fund reserves available to pay any of the payments described in paragraphs (1), (2), and (3), exclusively until paid.
- (5) Fees and charges contemplated by the instruments of the authority, trustees, tender agents, remarketing agents, credit enhancement and liquidity support providers, and service providers.
- (6) Any other costs necessary or incidental to any financing or refinancing conducted under this chapter.

(b) The payments made pursuant to subdivision (a) may be in connection with a financing or refinancing benefiting the participating party itself, one or more other participating parties, or any combination of participating parties.

(c) To participate under this section, the participating party shall do all of the following:

- (1) Elect to participate by an action of its governing board taken in compliance with the rules of that board.
- (2) Provide written notice to the Controller, no later than the date of the issuance of the bonds or 60 days before the next payment, whichever is later, of all of the following:
 - (A) Its election to participate.
 - (B) A schedule of the payments subject to that election.
 - (C) The payee or payees of those payments, or the trustee or agent on their behalf to receive those payments.
 - (D) (i) Payment delivery instructions, which may be by wire transfer or other method approved by the Controller.
 - (ii) If the method of payment delivery is wire transfer, the participating party shall complete and submit the appropriate authorization form as prescribed by the Controller.

(d) The participating party may amend, supplement, or restate the notice required pursuant to paragraph (2) of subdivision (c) for any reason, including, but not necessarily limited to, providing for new or increased payments. The participating party shall certify in the notice and in any amendment, supplement, or restatement of the notice that each and every payment reflected in the schedule is a payment described in subdivision (a) and the amounts

scheduled do not exceed the actual or reasonably estimated payment obligations to be funded pursuant to this section. The participating party shall also represent in the notice that it is not submitting the notice for the purpose of accelerating a participating party's receipt of its apportionments. This section does not prohibit transfer by the recipient of an apportionment under this section to the participating party submitting the notice of the excess apportionment above the amount needed to fund actual payments where the excess resulted from erroneous estimation of scheduled payments or otherwise.

(e) Upon receipt of the notice required by paragraph (2) of subdivision (c), the Controller shall make an apportionment to the indicated recipient on the date, or during the period, shown in the schedule in accordance with all of the following:

(1) If the participating party requests transfers in full as scheduled, in the amount of the scheduled transfer or such lesser amount as is available from the sources described in subdivision (f).

(2) If the participating party does not request transfers in full as scheduled, in the amount of the anticipated deficiency for the purpose of making the required payment indicated in a written request of the participating party to the Controller and in the amount of the actual shortfall in payment indicated in a written request of the recipient or the participating party to the Controller or whatever lesser amount is available from the sources described in subdivision (f).

(3) To the extent funds available for an apportionment are insufficient to pay the amount set forth in a schedule in any period, the Controller shall, if and as requested in the notice, reschedule the payment of all or a portion of the deficiency to a subsequent period.

(4) In making apportionments under this section, the Controller may rely conclusively and without liability on any notice or request delivered under this section, including any notice of request delivered before January 1, 2015. The Controller may make, but is not obligated to make, apportionments not reflected on a notice or on an amended, supplemented, or restated notice delivered under this section that the Controller receives less than 20 days before when the apportionment would otherwise be required.

(f) The Controller shall make an apportionment under this section only from moneys designated for apportionment to the participating party delivering the notice, and only from one or more of the following:

(1) Any funding apportioned for purposes of revenue limits or the local control funding formula pursuant to Section 42238.02, as implemented by Section 42238.03, to a school district or county office of education without regard to the specific funding source of the apportionment.

(2) Any funding apportioned for purposes of the charter school block grant or the local control funding formula pursuant to Section 42238.02, as implemented by Section 42238.03, to a charter school without regard to the specific funding source of the apportionment.

(3) Any funding apportioned for purposes of revenue limits or community college apportionments pursuant to Sections 84750.4 and 84750.5 to a community college district without regard to the specific funding source of the apportionment.

(g) (1) The amount apportioned for a participating party pursuant to this section shall be deemed to be an allocation to the participating party, and shall be included in the computation of allocation, limit, entitlement, or apportionment for the participating party.

(2) The participating party and its creditors do not have a claim to funds apportioned or anticipated to be apportioned by the Controller pursuant to this section.

(h) (1) The authority may require participation under this section under the terms of any financing or refinancing under this chapter to provide for one or more of the payments described in paragraphs (1) to (4), inclusive, of subdivision (a). The authority may impose limits on new participation under this section. The authority may require participating parties to apply to the authority for participation. If the authority limits participation under this section, the authority shall consider each of the following priorities in making participation available:

(A) First priority shall be given to participating parties that apply for funding for instructional classroom space under this chapter.

(B) Second priority shall be given to participating parties that apply for funding of modernization of instructional classroom space under this chapter.

(C) Third priority shall be given to participating parties that apply for funding under this chapter for any other eligible costs, as defined in Section 17173.

(2) The authority shall prioritize applications at appropriate intervals.

(3) A school district electing to participate under this section that has applied for revenue bond moneys for purposes of joint venture school facilities construction projects, pursuant to Article 5 (commencing with Section 17060) of Chapter 12, shall not be subject to the priorities set forth in paragraph (1).

(i) This section does not make the State of California liable for any payments within the meaning of Section 1 of Article XVI of the California Constitution.

(j) A school district that has a qualified or negative certification pursuant to Section 42131, or a county office of education that has a qualified or negative certification pursuant to Section 1240, may only participate under this section to intercept payments for short-term financings.

(k) This section does not obligate the State of California to make available the sources of apportionment under subdivision (f) in any amount or at any time or, except as provided in this section, to fund any payment described in this section. This subdivision is intended solely to clarify existing law.

(Amended by Stats. 2021, Ch. 44, Sec. 14. (AB 130) Effective July 9, 2021.)

17199.5. Notwithstanding Section 17199.4, if the bonds were subject to a credit enhancement agreement provided by a public credit provider pursuant to Section 17193.5 for which a payment for principal or interest, or both, has been made by the public credit provider, the Controller shall allocate to the public credit provider, rather than the trustee, the percentage of the apportionment to be made pursuant to this paragraph equal to the percentage of the outstanding indebtedness which is subject to the credit enhancement agreement.

(Added by Stats. 1998, Ch. 1076, Sec. 2. Effective January 1, 1999.)

17199.6. The authority is delegated exclusive control over the use and allocation of the volume cap described in Section 142(k) of the federal Internal Revenue Code, or successor provisions of the Internal Revenue Code. The board of the authority, by resolution, may use the volume cap for obligations issued by the authority or allocate the volume cap to any party.

(Added by Stats. 2012, Ch. 38, Sec. 37. (SB 1016) Effective June 27, 2012.)