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An act to add Section 15845.2 to, and to repeal and add Section 15845 of, the Government Code, relating to state buildings, and making an appropriation therefor.



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THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 15845 of the Government Code is repealed.

~~15845. All money received by the board from whatever source derived, shall be transmitted by the board at least once in every calendar month to the State Treasurer, and shall be deposited in the State Treasury to the credit of the Public Buildings Construction Fund, which fund is hereby created and is appropriated for the purpose hereinafter provided. There shall be maintained within the fund three separate accounts for each series of certificates or revenue bonds covering all the public buildings authorized, under this part, at any one session of the Legislature:~~

- ~~(a) A construction account~~
- ~~(b) A revenue account~~
- ~~(c) A sinking fund account~~

~~There shall be deposited to the credit of the respective series in the construction account the proceeds from the sale of each series of certificates or revenue bonds authorized under the provisions of this part. The money in each such account shall be expended, for the purposes authorized by this part, or as provided in the resolution, for the acquisition and construction of the public buildings, and in addition, for the payment of all costs and expenses of, and incident to, the issuance and sale of certificates or revenue bonds, and the payment of interest due or to become due on the certificates or revenue bonds during the period of actual construction, and for such further period as may be specified in the resolution for the issuance of the certificates or revenue bonds, not exceeding six months after the period of construction.~~



~~There shall be deposited to the credit of the respective series in the revenue account all revenues, rentals, or receipts received from the operation of each series of public buildings acquired, constructed, or operated by the board under the provisions of this part, and all other money received by the board from whatever source derived, the disposition of which is not otherwise provided by this part.~~

~~The money in each revenue account shall be expended for the payment of the costs of operation and maintenance of the public buildings authorized by this part, including administrative expenses of the board, and for such other purposes as may be provided in the resolution, subject to any restrictions provided by law or by the resolution.~~

~~All money in each revenue account, except that part required to pay the costs of operating the board, as provided for in the resolution authorizing the issuance of the certificates or revenue bonds, shall be set aside at regular intervals as provided in the resolution in separate sinking fund accounts for each series of certificates or revenue bonds, which are pledged to and charged with the payment of:~~

- ~~(a) The interest upon such certificates or revenue bonds as the interest falls due.~~
- ~~(b) The principal of the certificates or revenue bonds as it falls due.~~
- ~~(c) Any redemption value upon certificates or revenue bonds retired by call.~~

~~The use and disposition of the sinking fund account is subject to the regulations provided in the resolution. Each separate sinking fund account is an account for the benefit of each of the respective series of the certificates or revenue bonds issued, without distinction or priority of one over another, except as to series. Subject to the provisions of the resolution, any money in the sinking fund account of each series in~~



~~excess of the amount equal to one year's interest on all certificates or revenue bonds of that series then outstanding may be applied to the purchase or redemption of certificates or revenue bonds of such series. All certificates or revenue bonds purchased or redeemed shall be canceled and shall not be issued again.~~

SEC. 2. Section 15845 is added to the Government Code, to read:

15845. (a) All money received by the board from whatever source derived shall be deposited in the State Treasury to the credit of the Public Buildings Construction Fund, which is hereby created and appropriated for the purposes hereinafter provided. There shall be maintained, within the fund, subfunds, accounts, and subaccounts, as necessary, for the operation of the board and the performance of its obligations as provided in the applicable resolution, indenture, or other agreement.

(b) There shall be deposited in the fund to the credit of the respective series of certificates or revenue bonds authorized under the provisions of this part, the proceeds from the sale thereof. The money so deposited shall be expended, for the purposes authorized by this part, or as provided in the applicable resolution, indenture, or other agreement, for the cost of public buildings, and all additional amounts authorized by the board in accordance with Section 15849.6.

(c) All revenues, rentals, or receipts received by the board, except those deposited in the Expense Account established by Section 15845.2, shall be set aside at regular intervals as provided in the applicable resolution, indenture, or other agreement for each series of certificates or revenue bonds for the payment of interest and principal upon such certificates or revenue bonds as they fall due, or may be applied to an early redemption of those certificates or revenue bonds. Any revenues, rentals, or receipts



remaining after the scheduled payment of principal and interest on that series in a year may be applied to any lawful purpose as determined by the board to the extent permitted in the applicable resolution, indenture, or other agreement for a series.

SEC. 3. Section 15845.2 is added to the Government Code, to read:

15845.2. (a) There is hereby created within the Public Buildings Construction Fund an Expense Account into which will be deposited amounts received by the board as additional rental under any of its leases and any other money received by board, other than proceeds of certificates or revenue bonds, as directed by the board.

(b) Notwithstanding Section 13340, there is hereby continuously appropriated, without regard to fiscal years, from the Expense Account to the board the amount necessary to pay for the administrative expenses and costs associated with the implementation of this part.



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## LEGISLATIVE COUNSEL'S DIGEST

Bill No.

as introduced, \_\_\_\_\_.

General Subject: Public Buildings Construction Fund.

The State Building Construction Act of 1955 authorizes the State Public Works Board, among other things, to construct public buildings, contract with other state agencies for the use of real property upon which to construct a public building, fix, alter, charge, and collect rentals and other charges for the use of public buildings or for the services rendered by the board, and issue certificates or revenue bonds to obtain funds to pay the cost of public buildings. The act requires all money received by the board to be deposited to the credit of the Public Buildings Construction Fund and requires 3 separate accounts to be maintained within the fund, including a construction account, a revenue account, and a sinking fund account. The act requires proceeds from the sale of certificates or revenue bonds to be deposited in the construction account, revenues, rentals, or receipts received from the operation of public buildings to be deposited in the revenue fund, and certain other revenues to be set aside in separate



sinking fund accounts. The act requires the money in each revenue account to be expended for, among other things, the costs of operation and maintenance of public buildings, including administrative expenses of the board.

This bill would revise and recast those provisions by, among other things, eliminating the requirement that 3 separate accounts be maintained in the fund as provided above, and would, instead, require subfunds, accounts, and subaccounts to be maintained within the fund for the operation of the board and the performance of its obligations as provided in the applicable resolution, indenture, or other agreement. The bill would create an Expense Account within the fund into which would be deposited amounts received by the board as additional rental under any of its leases and any other money received by the board, other than proceeds of certificates or revenue bonds, as directed by the board. The bill would continuously appropriate, without regard to fiscal years, from the Expense Account to the board the amount necessary to pay for the administrative expenses and costs associated with the implementation of the act.

Vote: 2/3. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

