

**Senate Bill No. 16**

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Passed the Senate May 7, 2007

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*Secretary of the Senate*

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Passed the Assembly June 21, 2007

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*Chief Clerk of the Assembly*

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This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2007, at \_\_\_\_\_ o'clock \_\_\_\_M.

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*Private Secretary of the Governor*

## CHAPTER \_\_\_\_\_

An act to amend Section 50665.5 of the Government Code, relating to local agency finance.

## LEGISLATIVE COUNSEL'S DIGEST

SB 16, Florez. Local agency finance: limited obligation bonds.

Existing law authorizes cities and counties to issue various types of debt instruments, including limited obligation bonds, funded by certain revenue sources, and subject to specified criteria. The initiating resolution adopted by a local agency pursuant to these provisions is required to include, among other things, a pledge by the local agency that any bonds issued pursuant to the resolution shall be secured by all or part of the revenues received by the local agency.

This bill would additionally authorize a local agency to restrict the pledge to the revenues received by the local agency from a specified geographical area that is within the local agency's exterior boundaries.

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

SECTION 1. Section 50665.5 of the Government Code is amended to read:

50665.5. For all local agencies, the initiating resolution shall recite each of the following:

- (a) That the initiating resolution is being adopted pursuant to the powers granted by this article.
- (b) The object and purpose of incurring the indebtedness.
- (c) The estimated cost of the public improvements.
- (d) The maximum amount of the indebtedness.
- (e) A maximum rate of interest on the indebtedness.
- (f) (1) A pledge by the local agency that any bonds issued pursuant to the initiating resolution shall be secured by all or part of the revenues received by the local agency.
- (2) The local agency may restrict the pledge to the revenues received by the local agency from a specified geographical area that is within the local agency's exterior boundaries. The legal

description of the boundaries of the geographical area shall be contained in the resolution.

(g) The date of the election.

(h) The manner of holding the election and the procedure for voting for or against the proposition.

Approved \_\_\_\_\_, 2007

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*Governor*