ASSEMBLY BILL No. 11

Introduced by Assembly Member Sharon Runner

August 16, 2006

An act to add Part 6 (commencing with Section 16000) to the Penal Code, relating to financing local detention facilities, by providing the funds necessary through the issuance and sale of bonds of the State of California and by providing the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 11, as introduced, Sharon Runner. Local Detention Facilities Bond Act of 2006.

Existing law has previously provided bond funding for improvement of jail facilities.

This bill enact the Local Detention Facilities Bond Act of 2006, which if adopted, would authorize for purposes construction, renovation, and expansion of county jails, juvenile halls, camps, and ranches used for detention, a competitive grant program funded by the issuance pursuant to the State General Obligations Bond law, of bonds in the amount of ____. The bill would require the Secretary of State to submit the bond act to the voters.

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

Vote: ⅔. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

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

SECTION 1. Part 6 (commencing with Section 16000) is added to the Penal Code, to read:

PART 6. LOCAL DETENTION FACILITY BOND ACT OF 2006

TITLE 1. LOCAL DETENTION FACILITY BOND ACT OF 2006

Chapter 1. General Provisions

16000. This title shall be known and may be cited as the Local Detention Facility Bond Act of 2006.

16001. The Legislature finds and declares the following:

(a) Investments in California's aging local detention facilities have not kept pace with the needs of the state's growing population.

(b) The development and improvement of facilities that support various local detention facility programs is needed to improve public safety.

16002. For the purposes of this title, the following terms have the following meanings:

(a) "Board" means the Corrections Standards Authority, as designated in accordance with Section 16013.

(b) "Fund" means the Local Detention Facility Bond Fund of 2006, established pursuant to Section 16003.

(c) "Committee" means Local Detention Facility Bond Act of 2006 Finance Committee, as established pursuant to Section 16012.

(d) "State General Obligation Bond Law" means 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.

Chapter 2. Local Detention Facility Bond Act of 2006 Program

16003. The proceeds of the bonds issued and sold pursuant to this title shall be deposited in the Local Detention Facility Bond Fund of 2006, which is hereby created. The money in the fund shall be appropriated as follows:

(a) Notwithstanding Section 13340 of the Government Code, the sum of ____ dollars ($____) is hereby continuously appropriated to the Corrections Standards Authority for the purpose of making grants for the construction, expansion, renovation, replacement, or reconstruction of local detention facilities pursuant to Chapter 3 (commencing with Section 16004). For purposes of this title, "local detention facilities" includes county jails, juvenile halls, camps, and ranches.

(b) The grants shall be awarded on a competitive basis, and be administered by the Corrections Standards Authority. Seventy-five percent of the funds shall be awarded for use for adult facilities, 25 percent shall be used for juvenile facilities.

(c) Local entities shall provide matching funds or in-kind contributions of not less than 25 percent of the grant award, provided that the Corrections Standards Authority shall have the authority to determine what constitutes an appropriate in-kind contribution, and its amount, and may, in appropriate cases, waive or modify the matching funds requirement.

(d) Grants are not to be used to implement programs, but priority in awarding grants will be given to facilities that include treatment programs for high recidivism inmates such as the mentally ill and drug addicted, and for vocational training.

(e) Grant applications shall include specific plans to construct new, or to improve or expand existing, local detention facilities.

(f) For administrative costs incurred by the board administering the bond program, which payments shall be derived from, but shall not exceed 5 percent of, the principal amount of bonds issued under this title.

16004. (a) It is the intent of the Legislature to make the money appropriated for allocation under this title available on a competitive basis to counties with established and documented needs for capital projects for local detention facilities. However,

that money shall be used to build, expand or renovate facilities that the counties can afford to staff and operate fully and safely.

(b) The Corrections Standards Authority shall not itself be deemed a responsible agency, as defined by Section 21069 of the Public Resources Code, or otherwise be subject to the California Environmental Quality Act for any activities under this chapter. This subdivision does not exempt any local agency from the requirements of the California Environmental Quality Act.

16005. (a) The Corrections Standards Authority shall adopt regulations for the approval or disapproval of local detention facility projects. The Corrections Standards Authority shall also consider cost-effectiveness in determining approval or disapproval. No state moneys shall be encumbered in contracts with counties until architectural plans and specifications have been approved by the Corrections Standards Authority. The review and approval of plans, specifications, or other documents by the Corrections Standards Authority are for the purpose of ensuring proper administration of moneys and determination of whether the project specifications comply with law and regulation. The Corrections Standards Authority may require changes in construction materials to enhance safety and security if materials proposed at the time of final plans and specifications are not essential and customary as used statewide for facilities of the same security level. Counties that receive moneys are responsible for design, construction, staffing, operation, repair, and maintenance of the project.

(b) The Corrections Standards Authority shall establish minimum standards, funding schedules and procedures, which shall take into consideration, but not be limited to, the following:

(1) County certification of project site control through either fee simple ownership of the site or comparable long-term possession of the site, and right of access to the project sufficient to assure undisturbed use and possession.

(2) Documentation of need for the project.

(3) A written project proposal.

(4) County adoption of a formal plan to finance the project.

(5) Submittal of a staffing plan for the project, including operational cost projections and documentation that the facility will be able to be safety staffed and operated within 90 days of completion.

(6) Submittal of architectural drawings, which shall be approved by the Corrections Standards Authority for compliance with minimum adult detention facility standards and which shall also be approved by the State Fire Marshal for compliance with fire safety and life safety requirements.

(7) County filing of a final notice of determination on its environmental impact report with the Corrections Standards Authority.

(8) Provisions intended to maintain the tax-exempt status of the bonds.

16006. If after a hearing, the Corrections Standards Authority makes a finding that a county has failed to comply with a condition or plan approved by the Corrections Standards Authority related to the requirements of this chapter, the Corrections Standards Authority may require the county to pay an amount equal to the pro rata portion of the principal and interest paid by the state on bonds the proceeds of which were allocated pursuant to this chapter to the county. The repayment provisions shall not be applicable if the noncompliance with the condition or plan is the result of circumstances beyond the control of the county, or the Corrections Standards Authority finds the county cannot reasonably comply under the circumstances.

Chapter 3. Fiscal Provisions

16010. (a) Bonds in the total amount of ____ dollars ($____), not including the amount of any refunding bonds issued in accordance with Section 16020, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this title and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute valid and binding obligations 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.

(b) The Treasurer shall sell the bonds authorized by the committee pursuant to this section. The bonds shall be sold upon

the terms and conditions specified in a resolution to be adopted by the committee pursuant to Section 16731 of the Government Code.

16011. The bonds authorized by this title shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law, and all of the provisions of that law, except any inconsistent provisions of Section 16727 of the Government Code, shall apply to the bonds and to this title and are hereby incorporated in this title as though set forth in full in this title.

16012. (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 Local Detention Facility Bond Act of 2006 Finance Committee is hereby created. For purposes of this title, the Local Detention Facility Bond Act of 2006 Finance Committee is the "committee" as that term is used in the State General Obligation Bond Law.

(b) The committee consists of the Director of Finance, the Treasurer, the State Controller, the Director of General Services, and the Secretary of the Department of Corrections and Rehabilitation. Notwithstanding any other provision of law, any member may designate a deputy to act as that member in his or her place and stead for all purposes, as though the member were personally present.

(c) The Treasurer shall serve as chairperson of the committee.

(d) A majority of the members of the committee shall constitute a quorum of the committee and may act for the committee.

16013. For the purposes of the State General Obligation Bond Law, the "board" is the Corrections Standards Authority.

16014. 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.

16015. 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 chapter, as the principal and interest become due and payable.

(b) The sum that is necessary to carry out the provisions of Section 16018, appropriated without regard to fiscal years.

16016. 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.

16017. 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 under 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, as may be 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.

16018. 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 fund. Any money made available under this section shall be returned to the General Fund, with interest at the rate earned by the money in the Pooled Money Investment

Account, from proceeds received from the sale of bonds for the purpose of carrying out this title.

16019. All money deposited in the fund that is derived from premium and accrued interest on bonds sold pursuant to this title shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

16020. The bonds issued and sold pursuant to this title may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code, which is a part of the State General Obligation Bond Law. Approval by the electors of the state for the issuance of the bonds under this title shall include approval of the issuance of any bonds issued to refund any bonds originally issued under this title or any previously issued refunding bonds.

16021. The Legislature hereby finds and declares that, in as much 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 the act shall become effective upon the approval by voters of the Local Detention Facilities Bond Act of 2006, as set forth in Section 1 of this act.

SEC. 3. Section 1 of this act shall be submitted to the voters at the next general election in accordance with the provisions of the Elections Code and the Government Code governing the submission of statewide measures to the voters.

SEC. 4. 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 that the Local Detention Facility Bond Act of 2006 may be submitted for voter approval at the 2006 general election, it is necessary that this act take effect immediately.

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