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## Library Construction and Renovation Bond Act of 1988

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Official Title and Summary Prepared by the Attorney General

LIBRARY CONSTRUCTION AND RENOVATION BOND ACT OF 1988. This act provides for a bond issue of seventy-five million dollars (\$75,000,000) to provide funds for a library construction and renovation program.

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## Text of Proposed Law

This law proposed by Senate Bill 181 (Statutes of 1988, Ch. 49) is submitted to the people in accordance with the provisions of Article III of the Constitution.

This proposed law adds sections to the Education Code; therefore, the provisions proposed to be added are printed in *italic type* to indicate that they are new.

### PROPOSED LAW

SECTION 1. Chapter 11 (commencing with Section 19950) is added to Part 11 of the Education Code, to read:

#### CHAPTER 11. CALIFORNIA LIBRARY CONSTRUCTION AND RENOVATION BOND ACT OF 1988

##### Article 1. General Provisions

19950. This chapter shall be known and may be cited as the California Library Construction and Renovation Bond Act of 1988.

19951. The Legislature finds and declares all of the following:

(a) The public library is a supplement to the formal system of free public education, a source of information and inspiration to persons of all ages, cultural backgrounds, and economic statuses, and a resource for continuing education and reeducation beyond the years of formal education, and therefore deserves adequate financial support from government at all levels.

(b) It is in the interest of the people and of the state that there be a general diffusion of information and knowledge through the continued operation of free public libraries. This diffusion is a matter of general concern inasmuch as it is the duty of the state to provide encouragement to the voluntary lifelong learning of the people of the state.

(c) Many existing public library facilities are not safe, efficient, or accessible for use, adequate for the size of the communities they serve, or otherwise capable of providing the public library services needed by the communities they serve.

(d) Many communities that are populous enough to require a public library facility do not have one.

(e) Local public library authorities do not have sufficient funds to construct or rehabilitate necessary public library facilities.

(f) Funding to meet the need for public library facilities, which is beyond the ability of local government to supply, is most appropriately met by a partnership of state and local governments.

19952. As used in this chapter, the following terms have the following meanings:

"Committee" means the California Library Construction and Renovation Finance Committee created pursuant to Section 19972.

(b) "Fund" means the California Library Construction and Restoration Fund created pursuant to Section 19955.

(c) "Board" means the California Library Construction and Renovation Board. The board includes the State Librarian, the Treasurer, the Director of Finance, the Assembly Member appointed by the Speaker of the Assembly, and the Senator appointed by the Senate Rules Committee.

Legislative members of the board shall meet with, and participate in, the work of the board to the extent that their participation is not incompatible with their duties as Members of the Legislature. For the purposes of this chapter, Members of the Legislature who are members of the board shall constitute a joint legislative committee on the subject matter of this chapter.

##### Article 2. California Library Construction and Renovation Program

19955. The proceeds of bonds issued and sold pursuant to this chapter shall be deposited in the California Library Construction and Renovation Fund, which is hereby created. Notwithstanding Section 13340 of the Government Code, the fund shall be continuously appropriated without regard to fiscal year.

19956. All moneys deposited in the fund shall be available for grants to any city, county, city and county, or district that is empowered at the time of the project application to own and maintain a facility for the acquisition, construction, remodeling, or rehabilitation of facilities for public library services.

19957. The grant funds authorized pursuant to Section 19956 and the matching funds provided pursuant to Section 19962 shall be used by the recipient for any of the following purposes:

(a) Acquisition or construction of new facilities or additions to existing facilities.

(b) Acquisition of land necessary for purposes of subdivision (a).

(c) Remodeling of existing facilities for energy conservation purposes.

(d) Remodeling of existing facilities to provide access for the disabled.

(e) Rehabilitation of existing facilities to bring them into compliance with current health and safety requirements for public facilities.

(f) Procurement and installation of shelving fastened to the structure, and built-in equipment required to make a facility fully operable.

(g) Payment of fees charged by architects, engineers, and other design professionals whose services are required to plan and execute a project authorized pursuant to this chapter.

19958. No grant funds authorized pursuant to Section 19956 or

matching funds provided pursuant to Section 19962 shall be used by a recipient for any of the following purposes:

(a) Books and other library materials.

(b) Administration costs of the project, including, but not limited to, the costs of all of the following:

(1) Preparation of the grant application.

(2) Procurement of matching funds.

(3) Conducting an election for obtaining voter approval of the project.

(4) Plan checking and code compliance inspections.

(c) Interest or other carrying charges for financing the project, including, but not limited to, costs of loans or lease-purchase agreements in excess of the direct costs of any of the authorized purposes specified in Section 19957.

(d) Any ongoing operating expenses for the facility, its personnel, supplies, or any other library operations.

19959. All construction contracts for projects funded in part through grants awarded pursuant to this chapter shall be awarded through competitive bidding pursuant to Part 3 (commencing with Section 20100) of the Public Contract Code.

19960. This chapter shall be administered by the State Librarian, who shall adopt rules, regulations, and policies for the implementation of this chapter.

19961. A city, county, city and county, or district may apply to the State Librarian for a grant pursuant to this chapter, as follows:

(a) Each application shall be for a project for a purpose authorized by Section 19957.

(b) The applicant shall request not less than thirty-five thousand dollars (\$35,000) per project.

(c) No application shall be submitted for a project for which construction bids already have been advertised.

19962. (a) Each grant recipient shall provide matching funds from any available source in an amount equal to 35 percent of the costs of the project. The remaining 65 percent of the costs of the project shall be provided through allocations from the fund.

(b) Qualifying matching funds shall be cash expenditures in the categories specified in Section 19957 which are made no earlier than three years prior to the submission of the application to the State Librarian. Except as otherwise provided in subdivision (c), in-kind expenditures shall not qualify as matching funds.

(c) Land donated or otherwise acquired for use as a site for the facility, including, but not limited to, land purchased more than three years prior to the submission of the application to the State Librarian, may be credited towards the 35 percent matching funds requirement at its appraised value as of the date of the application.

(d) Cash expenditures not to exceed 10 percent for furnishings required to make the facility fully operable may be credited towards the 35 percent matching funds requirement. The recipient shall certify to the board that these furnishings have an estimated useful life of not less than 10 years.

(e) Architect fees for plans and drawings for library renovation and new construction, including plans and drawings purchased more than three years prior to the submission of the application to the State Librarian, may be credited towards the 35 percent matching funds requirement.

19963. An amount not to exceed 1 percent of the cost of construction of the project may be used for appropriate works of art to enhance the facility.

19964. (a) The estimated costs of a project for which an application is submitted shall be consistent with normal public construction costs in the applicant's area.

(b) An applicant wishing to construct a project with costs which exceed normal public construction costs in the applicant's area may apply for a grant in an amount not to exceed 65 percent of the normal costs if the applicant certifies that it is capable of financing the remainder of the project costs from other sources.

19965. Once an application has been approved by the board and included in the State Librarian's request to the committee, the amount of funding to be provided to the applicant shall not be increased. Any actual changes in project costs shall be the full responsibility of the applicant. In the event that the amount of funding which is provided is greater than the cost of the project, the applicant shall return that portion of the funding which exceeds the cost of the project to the State Librarian.

19966. In reviewing applications, the board shall consider all of the following factors:

(a) Needs of urban and rural areas.

(b) Projected population growth.

(c) Changing concepts of public library service.

(d) Distance of the proposed project from other existing and proposed facilities.

(e) Age and condition of the facility.

19967. (a) A facility, or the part thereof, acquired, constructed,

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remodeled, or rehabilitated with grants received pursuant to this chapter shall be dedicated to public library direct service use for a period of not less than 20 years following completion of the project, or the useful life of the building, whichever is longer.

(b) If the facility, or part thereof, acquired, constructed, remodeled, or rehabilitated with grants received pursuant to this chapter ceases to be used for public library direct service prior to the expiration of the period specified in subdivision (a), the board shall be entitled to recover from the grant recipient or the recipient's successor in the maintenance of the facility, an amount which bears the same ratio to the value of the facility, or the appropriate part thereof, at the time it ceased to be used from public library direct service as the amount of the grant bore to the cost of the facility or appropriate part thereof. For purposes of this subdivision, the value of the facility, or the appropriate part thereof, shall be determined by the mutual agreement of the parties, or through an action brought for that purpose in the superior court.

(c) The board may release the grant recipient or the recipient's successor in the maintenance of the facility from its obligation under subdivision (a), and waive the requirements of subdivision (b), if the board determines that so doing would not diminish the quality of public library service in the community served by the facility.

(d) Notwithstanding subdivision (f) of Section 16724 of the Government Code, moneys recovered pursuant to subdivision (b) shall be deposited in the fund, and shall be available for the purpose of awarding grants for other projects.

### Article 3. Fiscal Provisions

19970. Bonds in the total amount of seventy-five million dollars

(\$75,000,000) (exclusive of refunding bonds), 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 chapter and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds shall, when sold, be and constitute a valid and binding obligation 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.

19971. The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in 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), and all of the provisions of that law apply to the bonds and to this chapter and are hereby incorporated in this chapter as though set forth in full in this chapter.

19972. (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 chapter, the California Library Construction and Renovation Finance Committee is hereby created. For purposes of this chapter, the California Library Construction and Renovation Finance Committee is the "committee" as that term is used in the State General Obligation Bond Law. The committee consists of the Treasurer, the State Librarian, the Director of Finance, or their designated representatives. The Treasurer shall serve as chairperson of the committee. A majority of the committee may act for the committee.

(b) For purposes of the State General Obligation Bond Law, the California Library Construction and Renovation Board is designated the "board."

19973. The committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter in order

to carry out the actions specified in Article 2 (commencing with Section 19955), and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

19974. 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 which is necessary to collect that additional sum.

19975. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this chapter, 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 which is necessary to carry out the provisions of Section 19976, appropriated without regard to fiscal years.

19976. For the purposes of carrying out this chapter, 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 which have been authorized to be sold for the purpose of carrying out this chapter. 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 during the time the money was withdrawn from the General Fund pursuant to this section from money

received from the sale of bonds for the purpose of carrying out this chapter.

19977. 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 purposes of carrying out this chapter. The amount of the request shall not exceed the amount of the unsold bonds which the committee has resolution authorized to be sold for the purpose of carrying out this chapter. The board shall execute any 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 chapter.

19978. Any bonds issued and sold pursuant to this chapter may be refunded by the issuance of refunding bonds in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 2 of Title 2 of the Government Code. Approval by the electors of the state for the issuance of bonds shall include the approval of the issuance of any bonds issued to refund any bonds originally issued or any previously issued refunding bonds.

19979. All money deposited in the fund which is derived from premium and accrued interest on bonds sold shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

19980. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this chapter 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.

19981. An amount not to exceed 1 percent of the fund may be used by the State Librarian for costs of administering this chapter.