

TREASURER-TAX COLLECTOR COUNTY OF SAN DIEGO

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DAN McALLISTER
Treasurer-Tax Collector



MEDIA RELEASE

For Immediate Release:

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GOVERNOR SIGNS AB 182 INTO LAW!

Important bond reform bill will go into effect

January 1, 2014

San Diego, CA... San Diego County Treasurer-Tax Collector Dan McAllister today thanked Governor Brown for signing Assembly Bill (AB) 182 into law. The much-anticipated School Bond Reform legislative measure was signed, Wednesday, October 2, 2013 and will go into effect on January 1, 2014. AB 182 bill will adjust the current school bond financing structure, where the issuance of Capital Appreciation Bonds (CABs) is concerned.

“Today is a monumental day,” stated McAllister. “In just a couple of months Assembly Bill 182 will go into effect, I cannot thank State Senator Hueso and Assembly member Joan Buchanan enough for stepping up to carry this important legislative initiative. This bill will now protect the future of our taxpayers and our schools. I am proud to have championed this measure that will end the misuse of CABs.”

One year ago, McAllister announced his intention to seek legislative reform that would change the way school districts can issue CABs in the future. AB 182 limits the maturity to 25 years, has a maximum payback ratio of 4-to-1, includes a callable feature, and has a maximum interest rate of 8%. Additionally, AB 182 requires school districts and community colleges to provide more transparency when issuing Capital Appreciation Bonds.

Over the past year, this bill received unanimous support throughout the California legislative session. State Senator Wyland and State Senator Block signed on as principal co-authors to support AB 182.

Over the past year, there has been increased scrutiny of (CAB) Debt Structures on local, state and national levels.

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