



COUNTY OF HUMBOLDT

Legislation Details (With Text)

File #: 18-518 **Version:** 1 **Name:**
Type: Informational Report **Status:** Passed
File created: 5/24/2018 **In control:** Treasurer/Tax Collector
On agenda: 6/5/2018 **Final action:** 6/5/2018
Title: Issuance of Tax and Revenue Anticipation Notes (TRANS) on behalf of County School Districts
Sponsors:
Indexes:
Code sections:
Attachments: 1. Issuance of Tax and Revenue Anticipation Notes.pdf

Date	Ver.	Action By	Action	Result
6/5/2018	1	Board of Supervisors	approved	Pass

To: Board of Supervisors

From: Treasurer/Tax Collector

Subject:

Issuance of Tax and Revenue Anticipation Notes (TRANS) on behalf of County School Districts

RECOMMENDATION(S):

That the Board of Supervisors not authorize TRANS on behalf of any county board of education, school district, or community college district and designate the Clerk of the Board to notify these agencies that they may issue TRANS on their own behalf until further notice.

SOURCE OF FUNDING:

N/A

DISCUSSION:

California Government Code Section 53853(a) provides that county board of supervisors issue TRANS on behalf of certain county boards of education, school districts, and community college districts. However, Section 53853(b) provides that if the county board of supervisors fails to authorize the issuance of a note or notes within 45 calendar days following receipt of the resolution of the county board of education, the governing board of the school district or community college district, or the governing body of the charter school requesting that issuance, or if the county board of supervisors notifies the requesting party that it will not authorize that issuance within that 45-day period, then the note or notes may be issued by the county board of education, school district, charter school, or community college district in its own name pursuant to the previously adopted resolution. Essentially if the board takes no action within 45 days or provides notice to the requesting agency that it will not take action, the TRANS are issued by the requesting agency.

This rule applies only in the case of a note or notes of a county board of education, school district, charter school, or community college district to be issued in conjunction with a note or notes of one or more other

county board of education, school district, charter school, or community college district. A county board of supervisors, county treasurer, or county auditor is deemed to have no fiduciary responsibility with no regard to any note or notes issued pursuant to Section 53853(b).

Not authorizing TRANS on behalf of county schools has been the recommended course of action over the years but there has not been a Board order in place to adequately define the county's position when these requests have been received by law firms acting on behalf of school districts wishing to issue TRANS. The County has received a recent request from Eureka City Schools seeking a letter of non-authorization (Attachment 1). The notice of non-authorization (as opposed to letting the 45 days run) is sought in order to facilitate the timing of the issuance by Eureka City Schools. Therefore it is recommended that your Board take this action to respond to this specific request and so that county policy is documented to address future requests and allow school districts to issue TRANS debt independently.

FINANCIAL IMPACT:

None

OTHER AGENCY INVOLVEMENT:

County Board of Education, School Districts, and the Redwood Community College District

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Not take this action and spend additional staff time to determine county policy, and appropriate response, each time a county schools TRANS request is received.

ATTACHMENTS:

1. TRANS Request for Eureka City Schools

PREVIOUS ACTION/REFERRAL

Board Order No.: N/A

Meeting of: N/A