

ASSEMBLY BILL

No. 155

**Introduced by Assembly Member Mendoza
(Principal coauthor: Assembly Member Torrico)
(Coauthors: Assembly Members Brownley, Coto, De Leon, Fuentes,
Furutani, Ma, Nava, John A. Perez, V. Manuel Perez, and
Yamada)**

(Coauthor: Senator Wiggins)

January 26, 2009

An act to amend Section 53760 of the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 155, as introduced, Mendoza. Local government: bankruptcy proceedings.

Under existing law, any taxing agency or instrumentality of the state may file a petition and prosecute to completion bankruptcy proceedings permitted under the laws of the United States.

This bill would provide that a local public entity may only file under federal bankruptcy law with the approval of the Local Agency Bankruptcy Committee that would consist of the Controller, the Treasurer, and the Director of Finance, as specified.

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

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

1 SECTION 1. Section 53760 of the Government Code is
2 amended to read:

1 53760. (a) Except as otherwise provided by statute, a local
2 public entity in this state may, *with the approval of the Local*
3 *Agency Bankruptcy Committee, under the terms and conditions*
4 *that the committee may impose*, file a petition and exercise powers
5 pursuant to applicable federal bankruptcy law.

6 (b) As used in this section, “local public entity” means any
7 county, city, district, public authority, public agency, or other
8 entity, without limitation, that is a “municipality,” as defined in
9 paragraph (40) of Section 101 of Title 11 of the United States Code
10 (bankruptcy), or that qualifies as a debtor under any other federal
11 bankruptcy law applicable to local public entities.

12 (c) *The Local Agency Bankruptcy Committee is comprised of*
13 *the Controller, the Director of Finance, and the Treasurer.*