**Legal Title**
Harbor Bond Sinking Fund

**Legal Citation/Authority**
Chapter 1333, Statutes of 1968
Harbors and Navigation Code sections 3905 and 3910

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<td><strong>GAAP Basis</strong></td>
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**Purpose**
The purpose of the fund is to receive and to account for amounts required for the payment of the principal and interest of bonds issued and sold under the authority of the Harbor Development Bond Law of 1958. The law provides for two separate accounts to be maintained in this fund to segregate the transfers by the San Francisco Harbor Improvement Fund from those sold by the Small Craft Harbor Improvement Fund.

**Administering Agency/Organization Code**
State Treasurer’s Office/ Org 0950

**Major Revenue Source**
Transfers from the Small Craft Harbor Improvement Fund and receipts from the City and County of San Francisco, formerly the San Francisco Harbor Improvement Fund.

**Disposition of Fund (upon abolishment)**
Pursuant to Harbors and Navigation Code Section 3928, any balance remaining in this fund upon abolishment shall be transferred to the Small Craft Harbor Improvement Fund or the San Francisco Harbor Improvement Fund. This fund may only be abolished after the principal and interest of all bonds issues have been paid in full or cancelled.

**Appropriation Authority**
Section 3910 of the Harbors and Navigation Code appropriates the moneys in the fund for the payment of principal and interest on the bonds authorized and issued pursuant to this act as such principal and interest become due. In the event there is insufficient money in the fund, the amount necessary to make the payments is appropriated from the General Fund.

**State Appropriations Limit**
*Always Excluded*—Revenues in this fund are not proceeds of taxes and even after transfer, will never become proceeds of taxes because the major revenue sources is derived from another Non Governmental Cost Fund (Small Craft Harbor Improvement Fund), which is also a Public Service Enterprise Fund.

**Historical Comments**
Chapter 103 Statutes of 1958, First Extraordinary Session created this fund.
Chapter 1333, Statutes of 1968 transferred the control, management and all assets of the San Francisco Harbor from the State to the City and County of San Francisco. The City and County of San Francisco agreed to assume all bonded indebtedness and other obligations of the Port Authority. However, the payment of principal and interest on these bonds is still a legal obligation of the State.
All bonds are fully redeemed and the fund is abolished in accordance with Government Code 13306 (b), effective September 11, 2000 and with the concurrence of the State Treasurer and Office of the State Controller.