Legal Title  
1990 Prison Construction Fund

Legal Citation/Authority  
Penal Code section 7420

Fund Classification  
**GAAP Basis**  
Governmental/Capital Projects

**Fund Classification**  
**Legal Basis**  
Nongovernmental/Bond Funds

Purpose  
This measure authorizes the state to sell $450 million of general obligation bonds to relieve overcrowding in the state’s prisons and the Youth Authority facilities through new construction.

Administering Agency/Organization Code  
Department of Corrections and Rehabilitation/Org 5225

Major Revenue Source  
Proceeds from the sale of state general obligation bonds.

Disposition of Fund (upon abolishment)  
The money in the fund shall be use for the acquisition, construction, renovation, remodeling, and deferred maintenance of state youth and adult correctional facilities, and for the purpose of refinancing interim debt incurred for the same.

Appropriation Authority  
Section 7433 of the Penal Code provides that the money in the fund may only be expended pursuant to appropriations by the Legislature. The Department of Corrections and the Department of the Youth Authority, annually on or before January 10, shall submit their respective five-year facility master plans to the Legislature. Each plan shall include a program of proposed expenditures from the 1990 Prison Construction 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 source is derived from a Bond Fund.

Comments/Historical Information  
Section 7420 of the Penal Code created the 1990 Prison Construction Fund as a result of voter approval in June 1990 of Proposition 120, the New Prison Construction Bond Act of 1990.

Chapter 10, Statutes of 2005 changed the Administering Agency from 5240 to 5225.