**Legal Title**  
Pension Obligation Bond Fund

**Legal Citation/Authority**  
Chapter 11, Statutes of 2003  
Government Code sections: 16910-16913, 16920-16929 (General Provisions)  
16929 (Creation)

**Purpose**  
The Pension Obligation Bond Fund was created to deposit the net proceeds of bonds issued and sold for the purpose of funding or refunding the state’s pension obligations.

Pursuant to Section 16928, the Pension Obligation Bond Committee may provide for the issuance of bonds any portion of which is to be used for the purpose of refunding outstanding bonds issued to fund or refund pension obligations, including the payment of the principal, interest, and redemption premiums, if any.

The proceeds of bonds issued to refund any outstanding bonds may be applied to the retirement of those outstanding bonds at maturity, or the redemption, on any redemption date, or purchase of those outstanding bonds prior to maturity, subject to the terms and conditions as the committee deems advisable.

**Administering Agency/Organization Code**  
Department of Finance/Org 8860

**Major Revenue Source**  
Proceeds of bonds issued and sold.

**Disposition of Fund (upon abolishment)**  
Government Code 16726 provides, upon certification to the State Controller’s Office (SCO) by the committee that the purposes have been affected, the SCO shall transfer the unencumbered cash balance to the General Fund.

**Appropriation Authority**  
Section 16929 provides, notwithstanding Section 13340 of the Government Code, this fund is continuously appropriated for the purposes specified in this chapter.

**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
Pursuant to Section 16935, this chapter shall become inoperative on June 30, 2009, and, as of January 1, 2010, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2010, deletes or extends the dates on which it becomes inoperative and is repealed.