



**PUBLIC FINANCE UPDATE**

**New California State Legislation Requires Prop 39 Audits to be Submitted By March 31 to Citizens' Oversight Committee**

SB 423 was recently enacted to require school districts, community college districts or the county office of education to submit its Prop 39 general obligation bond annual, independent financial and performance audit for the preceding fiscal year to its citizens' oversight committee by March 31 of each year.

Under Prop 39, a school district, community college district, or county office of education may incur bonded indebtedness for the construction, reconstruction, rehabilitation, or replacement of school facilities approved by 55% of the voters if the proposition includes specific accountability standards such as the governing board of a school district, community college district, or county office of education conducting annual, independent financial and performance audits. Section 15286 of the Education Code was amended to include the new March 31 requirement.

If you have any questions regarding this update, please contact the Sidley lawyer with whom you usually work, or one of the following:

Eric D. Tashman  
415.772.1214  
[etashman@sidley.com](mailto:etashman@sidley.com)

Robyn Helmlinger  
415.772.1217  
[rhelmlinger@sidley.com](mailto:rhelmlinger@sidley.com)

Gisele C. Rainer  
415.772.7426  
[grainer@sidley.com](mailto:grainer@sidley.com)

James L. Copeland  
415.772.1234  
[jcopeland@sidley.com](mailto:jcopeland@sidley.com)

**The Public Finance Practice of Sidley Austin LLP**

Sidley's over 90 years of experience in Public Finance includes substantial experience as bond counsel and disclosure counsel, advising cities, counties, school districts, states (including Puerto Rico and the District of Columbia) and other public entities throughout the United States with respect to the issuance of municipal bonds. Our Public Finance lawyers assist in finding creative and innovative solutions to the various types of debt management issues facing our municipal, nonprofit and financial institution clients. Our Public Finance practice is supported by a full complement of experienced tax lawyers and a department that focuses on the development and structuring of financial derivative instruments.

To receive future copies of this and other Sidley updates via email, please sign up at [www.sidley.com/subscribe](http://www.sidley.com/subscribe)

BEIJING BRUSSELS CHICAGO DALLAS FRANKFURT GENEVA HONG KONG LONDON LOS ANGELES NEW YORK  
PALO ALTO SAN FRANCISCO SHANGHAI SINGAPORE SYDNEY TOKYO WASHINGTON, D.C.

[www.sidley.com](http://www.sidley.com)

Sidley Austin LLP, a Delaware limited liability partnership which operates at the firm's offices other than Chicago, New York, Los Angeles, San Francisco, Palo Alto, Dallas, London, Hong Kong, Singapore and Sydney, is affiliated with other partnerships, including Sidley Austin LLP, an Illinois limited liability partnership (Chicago); Sidley Austin (NY) LLP, a Delaware limited liability partnership (New York); Sidley Austin (CA) LLP, a Delaware limited liability partnership (Los Angeles, San Francisco, Palo Alto); Sidley Austin (TX) LLP, a Delaware limited liability partnership (Dallas); Sidley Austin LLP, a separate Delaware limited liability partnership (London); Sidley Austin LLP, a separate Delaware limited liability partnership (Singapore); Sidley Austin, a New York general partnership (Hong Kong); Sidley Austin, a Delaware general partnership of registered foreign lawyers restricted to practicing foreign law (Sydney); and Sidley Austin Nishikawa Foreign Law Joint Enterprise (Tokyo). The affiliated partnerships are referred to herein collectively as Sidley Austin, Sidley, or the firm.

This **Sidley update** has been prepared by Sidley Austin LLP for informational purposes only and does not constitute legal advice. This information is not intended to create, and receipt of it does not constitute, a lawyer-client relationship. Readers should not act upon this without seeking advice from professional advisers.

Attorney Advertising - For purposes of compliance with New York State Bar rules, our headquarters are Sidley Austin LLP, 787 Seventh Avenue, New York, NY 10019, 212.839.5300 and One South Dearborn, Chicago, IL 60603, 312.853.7000.

Prior results do not guarantee a similar outcome.