

Date of Hearing: June 3, 2026

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Juan Carrillo, Chair

SB 1440 (Committee on Local Government) – As Introduced March 11, 2026

SENATE VOTE: 37-0

SUBJECT: Validations

SUMMARY: Validates the organization, boundaries, acts, proceedings, and bonds of the state government, counties, cities, special districts, and school districts, among other public bodies.

EXISTING LAW allows public agencies to make changes to the organization, boundaries, acts, proceedings, and bonds of the state, cities, counties, special districts, school districts, and other local agencies.

FISCAL EFFECT: None.

COMMENTS:

- 1) **Bill Summary and Background on Validating Acts.** The Validating Acts cure public officials' mistakes that might otherwise invalidate boundary changes or bond issues. They also correct errors or omissions by local agencies and state departments. The Validating Acts protect investors from the chance that a minor error might undermine the legal integrity of a public agency's bond. Banks, pension funds, and other investors will not buy public agencies' securities, unless they are sound investments. Investors rely on legal opinions from bond counsels to assure the bonds' credit worthiness. Without legislative action to cure technical errors, bond counsels are reluctant to certify bonds as good credit risks. The Validating Acts give legislative protection to public agencies and private investors.

The three Validating Acts cure typographical, grammatical, and procedural errors. They do not forgive fraud, corruption, or unconstitutional acts. A local official who makes a technical error will find reassurance in the Validating Acts, while a corrupt official faces prosecution regardless of the Acts.

By insulating state and local bonds against harmless errors, the Validating Acts save taxpayers' money. Strong legal opinions from bond counsels result in higher credit ratings for state and local bonds. Higher credit ratings allow state and local officials to pay lower interest rates to private investors. Lower borrowing costs save money for taxpayers.

Starting in the mid-1920s, the Legislature passed separate Validating Acts for different types of bonds, several classes of special districts, and various local boundary changes. By the late 1930s, the practice was to pass annual Validating Acts [AB 2842 (Bennett), Chapter 593, statutes of 1939]. It is now custom and practice to pass three Validating Acts that retroactively cure public officials' mistakes.

The first two Validating Acts are urgency bills. The First Validating Act (SB 1440) validates errors made before the date on which the bill is chaptered. The Second Validating Act (SB 1441) will become operative on September 1, validating mistakes made after SB 1440 is

chaptered. The Third Validating Act (SB 1442) will take effect on January 1, 2027, covering the period between the operative date of SB 1441 and the end of 2026.

- 2) **Urgency Clause.** This bill contains an urgency clause and requires a two-thirds vote of each house.
- 3) **Arguments in Support.** The California Special Districts Association writes, “We appreciate how important these measures are for the operation of local governments. The Validating Acts help all public agencies because they protect investors from minor errors that might otherwise threaten our bonds, boundary changes, and other official acts. The passage of the Validating Acts of 2026 will ensure that our bonds receive the highest possible ratings, resulting in the lowest possible borrowing costs for our constituents.”
- 4) **Arguments in Opposition.** None on file.

REGISTERED SUPPORT / OPPOSITION:

Support

California Special Districts Association
East Bay Municipal Utility District
Local Agency Formation Commission of Orange County

Opposition

None on file

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