



CITY COUNCIL AGENDA REPORT

MEETING DATE: SEPTEMBER 20, 2004

ITEM NUMBER:

**SUBJECT: PROPOSITION 1A -
LOCAL TAXPAYERS & PUBLIC SAFETY SERVICES PROTECTION AGREEMENT**

DATE: SEPTEMBER 1, 2004

FROM: CITY MANAGER'S OFFICE

PRESENTATION BY: STEVEN E. HAYMAN, ASSISTANT CITY MANAGER

FOR FURTHER INFORMATION CONTACT: CAROL C. PROCTOR, AT (714) 754-5688

RECOMMENDED ACTION:

Approve Resolution # 04-_____ supporting Proposition 1A (Local Taxpayers and Public Safety Services Protection Agreement).

BACKGROUND:

Proposition 1A is slated for the November 2, 2004 statewide ballot. The Proposition came about after a coalition of local government officials and the League of California Cities were able to collect more than the necessary number of voter signatures to place a similar measure (Initiative #1031, the Local Taxpayers & Public Safety Protection Act) on the ballot in May of this year. That measure, now Proposition 65, would keep the State from raiding local governments funds to offset the State's budget deficit.

Proposition 1A is the result of a historic bipartisan effort between Governor Arnold Schwarzenegger, local governments, legislators, public safety officials, healthcare advocates, taxpayers, and community leaders that took place in July of this year. Both Propositions 1A and 65 will be on the ballot. However, the League's position is that Proposition 1A better protects local government public safety, healthcare and other services as well as prevents the State from taking local funds. Consequently, the League now urges voters to support Proposition 1A and oppose Proposition 65. Proposition 1A requires a simple majority vote of the people of the State of California in order to amend the State Constitution.

ANALYSIS:

Proposition 1A will do the following:

- It will restrict the State Legislature's ability to arbitrarily take local government funding, including local governments' share of existing sales taxes, property taxes and vehicle license fee revenues. This is important in stabilizing and protecting funding for on-going local services, such as fire and paramedic response, law enforcement, emergency and trauma care, parks, roads, libraries and transportation services.

- It will require the State to provide funding for any program or service that local governments are mandated to provide. If the State fails to provide funding, the Legislature must repeal the state mandate(s).
- It will provide flexibility in the state budget by allowing the State to borrow local government revenues to support schools and other state programs in the event of a fiscal crisis.

Proposition 1A will not raise taxes, increase funding to local governments, reduce funding for schools or any other state programs or services, or prohibit future reforms of the state-local fiscal relationship. It is supported by a bipartisan coalition, including Governor Schwarzenegger, Democratic and Republican legislative leaders, local government officials, public safety representatives, and healthcare, business, labor and community leaders.

The League of California Cities seeks support of Proposition 1A from cities in the form of a resolution (Attachment 1). Included with this report as Attachment 2 is supplemental information on both Propositions 1A and 65 from the League.

ALTERNATIVES CONSIDERED:

Do not adopt the resolution.

FISCAL REVIEW:

Should Proposition 1A fail, the State Legislature’s ability to arbitrarily take local government funding, including local governments’ share of existing sales taxes, property taxes and vehicle license fee revenues, will not be restricted and local revenues will continue to be subject to raids on local funding by the State Legislature.

LEGAL REVIEW:

The City Attorney has reviewed the attached resolution and has approved it as to form. No further legal review is required at this time.

CONCLUSION:

Staff recommends that the City Council determine whether to adopt the attached resolution, supporting Proposition 1A.

CAROL C. PROCTOR
MANAGEMENT ANALYST

STEVEN E. HAYMAN
ASSISTANT CITY MANAGER

MARC. R. PUCKETT
FINANCE DIRECTOR

TOM WOOD
ACTING CITY ATTORNEY

/ccp

ATTACHMENTS: [1 – Resolution 04-](#)
[2 – Information on Prop. 1A from the League of California Cities](#)

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