

September 18, 2003

Honorable Mayor and Members of
the Hermosa Beach City Council

Regular Meeting of
September 23, 2003

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERMOSA
BEACH, CALIFORNIA, SUPPORTING A STATEWIDE BALLOT INITIATIVE
TO REQUIRE VOTER APPROVAL BEFORE STATE GOVERNMENT MAY
TAKE LOCAL TAX FUNDS**

Recommendation:

That the City Council adopt the attached resolution supporting a statewide initiative to protect local government funds.

Background:

The attached resolution and related information was briefly discussed at the last meeting as Mayor Keegan was reporting on the activities at the League of California Cities conference in Sacramento.

The resolution supports placing an initiative on the November 2004 statewide ballot. The ballot initiative would simply do two things:

1. Public Vote Required
2. Reimburse for Mandated Costs

Respectfully submitted,

Stephen R. Burrell
City Manager

RESOLUTION NO. 02-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH, CALIFORNIA, SUPPORTING A STATEWIDE BALLOT INITIATIVE TO REQUIRE VOTER APPROVAL BEFORE STATE GOVERNMENT MAY TAKE LOCAL TAX FUNDS

WHEREAS, state government annually seizes over \$800 million in city property tax funds (ERAF) statewide, costing cities over \$6.9 billion in lost revenues over the past 12 years and seriously reducing resources available for local public safety and other services; and,

WHEREAS, in adopting the state budget this year the Legislature and Governor appropriated local vehicle license fee backfill and redevelopment property tax funds that are needed to finance critical city services such as public safety, parks, street maintenance, housing and economic development; and,

WHEREAS, the deficit financing plan in the state budget depends on a local property and sales tax swap that leaves city services vulnerable if the state's economic condition fails to improve; and,

WHEREAS, the adopted state budget assumes an ongoing structural budget deficit of at least \$8 billion, putting city resources and services at risk in future years to additional state revenue raids; and,

WHEREAS, it is abundantly clear that state leaders will continue to use local tax funds to balance the state budget unless the voters limit the power of the Legislature and Governor to do so; and,

WHEREAS, the voters of California are the best judges of whether local tax funds should be diverted, confiscated, shifted or otherwise taken to finance an ever-expanding state government; and,

WHEREAS, the General Assembly of Voting Delegates of the League of California Cities at its September 10, 2003 meeting voted to sponsor a statewide ballot initiative to empower the voters to limit the ability of state government to confiscate local tax funds to funds state government; and,

WHEREAS, the League has requested that cities offer support for a November 2004 ballot initiative that will allow voters to decide whether state government may appropriate local tax funds to fund state government operations and responsibilities.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hermosa Beach that the City hereby expresses its strong support for a statewide ballot initiative to allow voters to decide whether local tax funds may be taken, confiscated, shifted, diverted or otherwise used to fund state government operations and responsibilities; and,

RESOLVED FURTHER, that the City Council and staff are authorized to provide impartial information materials on the initiative as may be lawfully provided by the City's representatives. No public funds shall be used to campaign for or against the initiative; and,

RESOLVED FURTHER, that the residents of the City are encouraged to become well informed on the initiative and its possible impacts on the critical local services on which they rely; and,

RESOLVED FURTHER, that the City Clerk is hereby directed to send a copy to the Executive Director of the League of California Cities.

PASSED, APPROVED, and ADOPTED this 23rd day of September, 2003.

PRESIDENT of the City Council and MAYOR of the City of Hermosa Beach, California

ATTEST:

APPROVED AS TO FORM:

CITY CLERK

CITY ATTORNEY