

**CITY OF ALBANY
CITY COUNCIL AGENDA
STAFF REPORT**

Agenda Date: 02/16/10

Reviewed by: BP

SUBJECT: Resolution No. 2010-3- A Resolution of the Albany City Council In Support of the Local Taxpayer, Public Safety and Transportation Protection Act of 2010.

REPORT BY: Jacqueline L. Bucholz, City Clerk

STAFF RECOMMENDATION

Approve Resolution No. 2010-3 and authorize the City Clerk to send a copy of the Resolution to the League of California Cities.

BACKGROUND

On October 20, 2009, a coalition led by the League of California Cities, local government, transportation and public transit leaders filed a ballot measure called the Local Taxpayer, Public Safety and Transportation Protection Act with the California Attorney General's Office.

Filing the measure with the Attorney General's office is just the first step in a long and expensive process of qualifying a measure for the November 2010 ballot and securing voter approval. The coalition must collect approximately 1 million signatures that are needed to qualify the measure for the November, 2010 ballot.

DISCUSSION

The Problem: State raids and borrowing of local funds are jeopardizing public safety, emergency response, transportation, transit and other vital local services.

California voters have overwhelmingly passed separate ballot measures to dedicate local funding sources to essential local services and to prevent the State from shifting or raiding local government, transit, transportation funds. However, despite this the State recently passed a budget that borrows and takes approximately \$5 billion in city, county, transit, redevelopment and special district funds this year.

State raids are fiscally irresponsible and this practice makes the State budget problems worse down the line because local government and transportation funds have to be repaid with interest.

The Solution: Prohibit the State from raiding local government, transit and transportation funds. The League of California Cities is sponsoring a ballot measure for the November, 2010, election which would:

- Prohibit the State from taking, borrowing or redirecting local taxpayer funds dedicated to public safety, emergency response and other vital local government services. The measure would close loopholes to prevent the taking of local funds and would revoke the State's authority to borrow local government property tax funds.
- Protect vital, dedicated transportation and public transit funds from state raid. The measure would prevent State borrowing, taking or redirecting of the state sales tax on gasoline (Prop 42 funds) and Highway User Tax on gasoline (HUTA) funds that are dedicated to transportation maintenance and improvements.
- Protect local taxpayers by keeping more of the local tax dollars where there is more accountability to voters and by ensuring that gas taxes go to fund road improvements. The measure also reduces pressure for local tax and fee increases that become necessary when the State redirects local funds.
- Reform State government and enhance fiscal accountability. The measure is a key step in reforming California's broken budget system by restoring more local control and accountability. It also stops the irresponsible practice of the State borrowing special funds that have to be repaid with interest, which puts the State further in debt.

SUSTAINABILITY IMPACT

N/A

FINANCIAL IMPACT

There is no fiscal impact to the City for supporting the Resolution; however, if the measure is passed it would help to stabilize the City's budget.

Attachments:

Resolution No. 2010-3

Questions & Answers About the Local Taxpayer, Public Safety, and Transportation Protection Act

Initiative language