(R-84-95)

259001

RESOLUTION NUMBER R-

Adopted on

AUG 2 1983

WHEREAS, throughout the negotiations on the the State's FY 84 Budget, the Governor has insisted on a \$22 billion expenditure ceiling to avoid triggering the February 1, 1984 State sales tax he supported as a fail-safe to balance the State's FY 84 Budget; and

WHEREAS, if the Legislature passes a budget which exceeds this limitation, the Governor can blue-pencil any budget item; and

WHEREAS, to honor the Governor's desire to avoid a State sales tax increase and to save certain programs from a possible blue-pencil veto, the Democrats have proposed a local sales tax to replace an undetermined loss of State subventions (Motor Vehicle License Fees, Business Inventory Reimbursements and Cigarette Taxes); and

WHEREAS, the basic problem with this approach is that it does not guarantee a permanent source of revenue from an additional one-cent sales tax because of the possibility of triggering a State sales tax which would automatically eliminate the local sales tax; and

WHEREAS, if the State sales tax is imposed at a future date, there is no assurance that the City would receive the same level of State's subventions; and

WHEREAS, the distribution of a local sales tax enacted by the Board of Supervisors may not be the most equitable formula several years from now; and

WHEREAS, on July 18, 1983, the Rules Committee considered this issue and the information provided by the Intergovernmental Relations Department in Report No. 83-51 and voted unanimously to oppose the local sales tax option and recommends such action by the full Council; NOW, THEREFORE,

BE IT RESOLVED, by the Council of The City of San Diego, that this Council does hereby oppose the concept of a local sales tax option as presently being proposed in the California Legislature, as more fully set forth in IRD Report No. 83-51, dated July 13, 1983.

APPROVED: John W. Witt, City Attorney

Jack Katz

Chief Deputy City Attorney

JK:smm 7/21/83

Or.Dept:Rules
Form=r.none

R-259001

Passed and adopted by the Council of The	e City of San Diego on	AUG 2 1983	. ,
by the following vote:			
Councilmen Bill Mitchell Bill Cleator Gloria McColl William Jones Ed Struiksma Mike Gotch Dick Murphy Uvaldo Martinez Mayor Roger Hedgecock	Yeas Nays	Not Present Ineligible	
AUTHENTICAT	CED BY:		
ROGER HEDGECOCK Mayor of The City of San Diego, California. CHARLES G. ABDELNOUR City Clerk of The City of San Diego, California. By June A. Blackell, Deputy.			

Office of the City Clerk, San Diego, California

Resolution 25900

Adopted

AUG 2 1983