

(R-2009-1185) #105
(COR.COPY2) 6/23/09
MEET

RESOLUTION NUMBER R- 305006

DATE OF FINAL PASSAGE JUL 02 2009

A RESOLUTION IN OPPOSITION TO STATE OF CALIFORNIA PROPOSALS TO SEIZE ADDITIONAL CITY TAX FUNDS AND ENACT ANY NEW UNFUNDED MANDATES.

WHEREAS, the current economic crisis has placed cities under incredible financial pressure and caused city officials to reopen already adopted budgets to make painful cuts, including layoffs and furloughs of city workers, decreasing maintenance and operations of public facilities, and reductions in direct services to keep spending in line with declining revenues; and

WHEREAS, since the early 1990's the state government of California has seized over \$10 billion of city property tax revenues statewide to fund the state budget even after deducting public safety program payments to cities by the state; and

WHEREAS, in FY 2007-08 alone, the state seized \$895 million in city property taxes statewide to fund the state budget after deducting public safety program payments and an additional \$350 million in local redevelopment funds were seized in FY 2008-09; and

WHEREAS, the most significant impact of taking local property taxes has been to reduce the quality of public safety services cities can provide since public safety comprises the largest part of any city's general fund budget; and

WHEREAS, in 2004, the voters by an 84% vote margin, adopted substantial constitutional protections for local revenues, but the legislature can still "borrow" local property taxes to fund the state budget; and

WHEREAS, on May 5 the Department of Finance announced it had proposed to the Governor that the state “borrow” over \$2 billion in local property taxes from cities, counties and special districts to balance the state budget, causing deeper cuts in local public safety and other vital services; and

WHEREAS, in the past the Governor has called such “borrowing” proposals fiscally irresponsible because the state will find it virtually impossible to repay and it would only deepen the state’s structural deficit, preventing the state from balancing its budget; and

WHEREAS, the Legislature is currently considering hundreds of bills, many of which would impose new costs on local governments that can neither be afforded nor sustained in this economic climate; and

WHEREAS, state agencies are imposing, or considering, many regulations imposing unfunded mandates on local governments without regard to how local agencies will be able to comply with these mandates while meeting their other responsibilities; and

WHEREAS, the combined effects of the seizure of cities property taxes, increasing unfunded state mandates, and the revenue losses due to the economic downturn have placed city budgets under serious fiscal pressure; and

WHEREAS, cities simply cannot sustain the loss of any more property tax funds or to be saddled with any more state mandates as they will only deepen the financial challenge facing local governments; NOW, THEREFORE,

BE IT RESOLVED, that the City Council of the City of San Diego has determined that cities will experience a severe fiscal hardship if the recommendation of the Department of

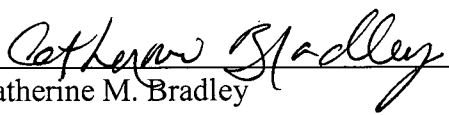
Finance to "borrow" \$2 billion of local property taxes is supported by the Governor and the Legislature.

BE IT FURTHER RESOLVED, that the City Council strongly and unconditionally opposes the May 5, 2009 proposal of the Department of Finance and any other state government proposals to borrow or seize any additional local funds, including the property tax, redevelopment tax increment, and the City's share of the Prop. 42 transportation revenues and gas tax.

BE IT FURTHER RESOLVED, that the City Council strongly urges the state legislature and Governor to suspend the enactment of any new mandates on local governments until such time as the economy has recovered and urges the state to provide complete funding for all existing and any new mandates.

BE IT FURTHER RESOLVED, that the City Clerk shall send copies of this resolution to the Governor, our state senator(s), our state assembly member(s) and the League of California Cities.

APPROVED: JAN I. GOLDSMITH, City Attorney

By 
Catherine M. Bradley
Chief Deputy City Attorney

CMB:amt
06/09/09
06/19/09 COR.COPY
06/22/09 COR.COPY2
Or.Dept:Intergov.Rel.
R-2009-1185

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of JUN 23 2009.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 7-2-01
(date)


JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor