

FROM : Don Lippman

Mar. 06 2008 03:45PM P1

08-0010

Amdt. #2NS

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INITIATIVE COORDINATOR  
ATTORNEY GENERAL'S OFFICE

February 25, 2008

Krystal M. Paris  
Initiative Coordinator  
Office of Attorney General  
Edmund G. Brown, Jr.  
1300I Street  
Sacramento, California 95814

Telephone: (916) 445-4752  
Facsimile: (916) 324-8835

Re: Statutory Initiative Measure change of title from Save Our Schools and Public Services Act to Voter Approval of Bonds Secured by Redevelopment Agency Property Tax Revenue.

Dear Ms. Paris:

The enclosed Statutory Initiative Measure reflects a change in the title from "SAVE OUR SCHOOLS AND PUBLIC SERVICES ACT" to "VOTER APPROVAL OF BONDS SECURED BY REDEVELOPMENT AGENCY PROPERTY TAX REVENUE."

The enclosed initiative also corrects a typographical error on page 2 correcting the spelling of the word collectors in the first line of paragraph (d).

Mr. Sutton will also send to you a copy of this letter agreeing to the above changes.

Thank you again for your courtesy.

Yours truly,

Don H. Lippman

Enclosed: Text of corrected proposed initiative measure

*I agree with this correction request.*

*CHRISTOPHER SUTTON 3-12-2008*

Don H. Lippman

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INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE VOTERS

The Attorney General of California has prepared the following title and summary of the chief purposes and points of the proposed measure:

(Here set forth the title and summary prepared by the Attorney General. This title and summary must also be printed across the top of each page of the petition whereon signatures are to appear.)

TO THE HONORABLE SECRETARY OF STATE OF THE STATE OF CALIFORNIA

We, the undersigned, registered, qualified voters of California, residents of the County or City and County of \_\_\_\_\_, hereby propose amendments to the California Health and Safety Code, and petition the Secretary of State to submit this measure to the voters of the voters of California for their adoption or rejection at the next succeeding general election or at any special statewide election held prior to that general election or as otherwise provided by law. The proposed amendments (full title and text of measure) read as follows:

**SECTION 1. TITLE AND INTENT.**

(a) The act shall be known and may be cited as the Voter Approval of Bonds Secured by Redevelopment Agency Property Tax Revenue.

(b) It is the intent of the people in approving this measure to impose public accountability on pledges of property tax revenues diverted to redevelopment agencies and other entities under the process known as "tax increment financing" in order to ensure those revenues are used only for purposes that are fully disclosed to, and are widely supported by, the public in

the county where they are derived.

## SECTION 2. STATEMENT OF FINDINGS

The People of the State of California find and determine as follows:

(a) Property taxes are a major source of funds to pay for schools and community colleges, police and fire protection, trauma centers and all other local and county public services.

(b) Cities and counties use provisions of state law to divert billions of property tax dollars from the above-mentioned public services in order to subsidize redevelopment activities. They issue bonds, secured by property tax revenue, without voter approval. According to the California State Controller's 2005-2006 Annual Report on Redevelopment Agencies, future property tax revenues are already pledged to pay the current redevelopment debt of over \$80 billion, and increasing currently by billions each year. While the law requires voter approval to issue bonds for public services and facilities, voter approval is not required to issue bonds secured by property taxes for private development or redevelopment.

(c) It is time to require voter approval of all future debts secured by property taxes so that there can be a greater disclosure of how such diversions and pledges impact on non-redevelopment local and county services.

(d) Those who pay property taxes through county tax collectors, as well as those who do not pay property taxes but want public services adequately funded, must be assured that government decisions regarding the diversion and pledge of property tax revenues are made by the widest possible public consensus and only after a full public disclosure of all potential impacts of any such pledge.

Therefore, the People of the State of California hereby enact the new law set forth below as the "Voter Approval of Bonds Secured by Redevelopment Agency Property Tax Revenue."

### SECTION 3. AMENDMENTS TO THE PROPERTY TAX REVENUE LAW

Section 33645.1 is added to the California Health and Safety Code in Article 5, Chapter 6, Part 1, of Division 24 to read as follows:

(a) On and after the effective date of this section, no pledge of property tax revenues that are allocated to any public entity or redevelopment agency pursuant to Article XVI section 16(b) of the California Constitution shall be valid or recognized by such entity or agency for the payment of the principal of or interest on any bond, or for the payment of the principal of or interest on any loan, advance, or other indebtedness, unless an ordinance proposing that pledge of funds is adopted by the legislative body of that community (city, county, or city and county), and it is thereafter approved by two-thirds (2/3) of the voters voting "yes" on the proposition at a county-wide election in the county in which such property tax funds are derived. The ordinance shall specify all of the following:

- (1) The exact purpose or purposes for which the indebtedness is to be incurred.
- (2) The maximum total amount of those funds that may be pledged with respect to that indebtedness.
- (3) The period of years during which the funds may be pledged, together with the maximum amount of funds that may be pledged in any year with respect to that indebtedness.

(b) The county shall establish the following with respect to the election:

- (1) The manner of holding the election and the procedure for voting for or against the proposition in a manner consistent with the Elections Code.
- (2) Provisions to submit the proposition to the voters residing in the county at either the next general election of the county, or at a special election called by the

county for that purpose.

(3) A requirement that the words "Pledge Funds - Yes" and "Pledge Funds - No" or words of similar import appear on the ballot adjacent to the proposition.

(4) The county shall publish the full text of the ordinance in one or more newspapers published in the county once a week for at least four weeks before the election.

(5) If the indebtedness is not proposed by the county itself, the cost of conducting the election and publishing the ordinance shall be fully reimbursed to the county by the public entity or redevelopment agency seeking approval of the indebtedness.

(c) As a matter of public finance of statewide importance, the procedures set forth in this section shall apply to all local government entities, including those operating with a charter.

(d) This section shall be liberally construed to effect its purposes.

#### **SECTION 4. IMPLEMENTATION AND AMENDMENT.**

(a) The legislature may enact laws to further the purposes of this measure and to aid in its implementation. No law may be enacted that would directly or indirectly repeal or contradict the terms of this measure except by vote of the people of California.

(b) The findings, purposes, and substantive provisions of this measure may only be amended by a majority of the voters of California voting on such an amendment.

#### **SECTION 5. SEVERABILITY**

The provisions of this measure are severable. Only a specific portion of this measure found to be invalid shall be stricken by a court, if any, and all the other remaining provisions shall continue in full force and effect without the invalid portion.

## SECTION 6. EFFECTIVE DATE

This measure shall become effective as provided in Article II Section 10 of the California Constitution the day after its enactment by the voters.

Measure proposed by Don Lippman

and Christopher Sutton

2011  
10/10/11