



CITY MANAGER'S OFFICE

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LEGISLATIVE REVIEW COMMITTEE STAFF REPORT

Meeting: September 3, 2019

Subject

Discuss SB 268 (Wiener) - Ballot Measures: Local Taxes

Recommended Action

Discuss SB 268

Summary

SB 268 exempts a local measure that authorizes the issuance of bonds or imposes or increases a tax with more than one rate from the requirement to provide information regarding the rate, duration and annual revenue in the ballot label. Instead, the bill would permit such a local measure to include the words "See voter guide for tax rate information" in the ballot label.

This bill would require the proponent or local jurisdiction that opts to put tax or bond information in the voter guide to include the following information in a disclosure statement referred to as the tax rate statement:

- A list of all tax rates that will apply;
- A description of how the taxes will be imposed including a description of any mechanism that would cause the rates to vary over time;
- An explanation of the duration of the tax, and the estimated average annual dollar amount of taxes that would be collected over the first ten years of the initial levy;
- Existing disclosure requirements for bonds, including the average tax rate, the highest tax rate and the total debt service.

Status

Passed from the Assembly Appropriations Committee Suspense File and referred to the Assembly Floor. The bill will be amended to include some clarifications.

Support

According to supporters, SB 268 addresses a serious problem in current law that both confuses voters and depresses their support for funding vital public services. The current law essentially prohibits local tax mechanisms that cannot be accurately explained in the 75-word ballot label. Those mechanisms tend to be the ones that drive a policy outcome

such as the flexibility to issue bonds when the funds are needed, the provision of tax-based incentives for enterprise zones or the preservation of agricultural lands, or the levying of taxes in tiers to more justly lighten the tax burden for those least able to afford it. SB 268 enhances transparency without unnecessary voter confusion and without quashing innovations in local taxation that support desired policy outcomes.

Supporters of the measure include: Assn of California Health Care Districts, California Special Districts Assn, California State Assn of Counties, California State Council of SEIU, California Teachers Assn, Community College Facility Coalition, Community College League of California, Santa Clara Valley Water District, Silicon Valley at Home, Small School Districts' Assn, State Building and Construction Trades Council of California, and Urban Counties of California.

Opposition

Opponent to the measure believe that SB 268 reduces local tax transparency. In 2017, Governor Brown signed a bill requiring local jurisdictions to include vital tax information in the ballot question. Opponents believe this measure would reduce voter transparency by exempting local jurisdictions from this law and only require tax information be in the lengthy voter guide, where it would be less accessible.

Opponents of the measure include: California Taxpayers Assn

Potential Impact

This measure would impact voters in Cupertino by not providing immediate access on the ballot pamphlet to tax information in the event that a future multi-tiered tax or bond measure were placed on the ballot. In such an instance, voters would be required to consult the voter guide to find the specific tax information.

Prepared by: Townsend Public Affairs



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Meeting: September 3, 2019

Subject

Consider adopting a position on AB 113 (Ting) – Housing

Recommended Action

Consider adopting a position on AB 113 and authorizing the Mayor to send a letter to the State Legislature

Summary

AB 113 is a budget trailer bill that amends current law related to housing. Specifically, the measure:

- Pursuant to a California appellate court decision, transfers \$331,044,084 from the General Fund to the National Mortgage Special Deposit Fund. The bill states the intent of the Legislature to create a trust to manage these funds, as well as specifies the purposes for which the funds can be applied.
- Provides that in any action or special proceeding brought by the Attorney General relating to housing element compliance pursuant to a notice or referral under the provision relating to HCD providing notice of specified violations of law, the Attorney General is authorized, upon a finding of the court that HCD satisfied the requirements of the specified provisions in making its determination that the housing element does not substantially comply with the requirements of specified provisions of the Planning and Zoning Law, to request that the court issue an order or judgment directing the jurisdiction to bring its housing element into substantial compliance with those requirements. The bill would provide that if a court determines upon request by the Attorney General that the housing element substantially complies with those provisions, it is required to have the same force and effect, for all purposes, as HCD's determination that the housing element substantially complies with those provisions. The bill would revise the provision authorizing the agent of the court to be appointed with all the powers necessary to bring the jurisdiction's housing element into compliance to provide, instead, that the agent of the court is authorized to take all governmental actions necessary to bring the jurisdiction's housing element into substantial compliance. The bill

would instead provide that those provisions do not limit a court's discretion to apply any and all remedies in such an action or special proceeding.

- Provide that HCD is required to notify a jurisdiction of its inclusion on the list of jurisdictions that have failed to adopt a housing element that has been found by HCD to be in substantial compliance with specified provisions of the Planning and Zoning Law upon the first occurrence of this inclusion, if the jurisdiction has not previously received notice of its inclusion. The bill would limit the jurisdictions that HCD is required to offer the opportunity for 2 meetings in person or via telephone to discuss the jurisdiction's failure and to provide written findings regarding that failure to a jurisdiction that would, on the basis of that inclusion, be denied funding under any program that is listed by DOF as a program for which a jurisdiction is ineligible if it fails to adopt a housing element that is found to be in substantial compliance with specified provisions of the Planning and Zoning Law and under which the jurisdiction previously applied for funding. The bill would limit the jurisdictions that are authorized to request that HCD review de novo the jurisdiction's housing element to those jurisdictions that, on the basis of its inclusion on the list, would be denied funding under any program that is listed by DOF as a program for which a jurisdiction is ineligible if it fails to adopt a housing element that is found to be in substantial compliance with those provisions of the Planning and Zoning Law and under which the jurisdiction previously applied for funding. The bill would extend the time within which HCD is required to issue written findings to 90 days of receipt of a request for review. The bill would replace the cross-referenced provision pursuant to which a jurisdiction is authorized to bring an action to superior court to challenge HCD's determination with a provision authorizing a court to issue a writ of mandate. The bill would, instead, provide that any action pursuant to the provisions relating to a requested review of HCD's determinations is prohibited from impacting the allocation of funds for jurisdictions not appearing on the list of jurisdictions that have failed to adopt a housing element that has been found by HCD to be in substantial compliance with specified provisions of the Planning and Zoning Law for any programs identified in the provision requiring DOF to publish a list of programs for which a jurisdiction is ineligible if it fails to adopt a housing element that is found by HCD to be in substantial compliance with specified provisions of the Planning and Zoning Law. The bill would provide that the provisions relating to a request for a review of a jurisdiction's inclusion on the list of jurisdictions that have failed to adopt a housing element that has been found by HCD to be in substantial compliance with specified provisions of the Planning and Zoning Law are prohibited from being available to a jurisdiction if a lawsuit has been filed against the jurisdiction pursuant to specified provisions of the Planning and Zoning Law.

Status

Referred to the Senate Budget Committee. The committee will meet upon call of the Chair. It should be noted that SB 113 contains identical language and is currently in the Assembly Budget Committee.

Support

No formal support.

Opposition

No formal opposition

Potential Impact

This measure contains technical modifications to housing element compliance provisions that were contained in a previous budget trailer bill. This measure will have no impact on the City as long as the housing element remains in compliance with existing state law.

Prepared by: Townsend Public Affairs