CONTRA COSTA COUNTY LIBRARY COMMISSION
AGENDA ATTACHMENT 3

MEETING DATE: Thursday, January 24, 2013

AGENDA ITEM #: 9

ITEM: CORRESPONDENCE

RECOMMENDED ACTION:

- None
CONTRA COSTA COUNTY LIBRARY COMMISSION
AGENDA ATTACHMENT 4

MEETING DATE: Thursday, January 24, 2013
AGENDA ITEM #: 10
ITEM: REPORT FROM COUNTY LIBRARIAN

RECOMMENDED ACTION:
None.
MEETING DATE: Thursday, January 24, 2013

AGENDA ITEM #: 11 A

ITEM: STATE LIBRARY FUNDING ISSUES

RECOMMENDED ACTION:

Commissioners will address the current State Library funding; including discussing an endorsement of SCA 7 (State Constitutional Amendment 7). Senator Wolk has introduced a resolution (co-authored by Senator Leno and Assembly Member Williams) to propose amending Section 1 and 4 of the Constitution of the State, as well as other changes relating to public libraries. If passed, SCA7 will allow for a 55% vote for local special taxes and bonds to fund critical local library operations and facilities. This is a very important bill for libraries.
SCA 7, as introduced, Wolk. Local government financing: public libraries; voter approval.

1. The California Constitution prohibits the ad valorem tax rate on real property from exceeding 1% of the full cash value of the property, subject to certain exceptions.

   This measure would create an additional exception to the 1% limit for a rate imposed by a city, county, city and county, or special district to service bonded indebtedness incurred to fund public library facilities, that is approved by 55% of the voters of the city, county, city and county, or special district, as applicable.

2. The California Constitution conditions the imposition of a special tax by a city, county, or special district upon the approval of 2/3 of the voters of the city, county, or special district voting on that tax, and prohibits these entities from imposing an ad valorem tax on real property or a transactions or sales tax on the sale of real property.

   This measure would authorize the imposition, extension, or increase of a special tax by a city, county, city and county, or special district for the purpose of funding public libraries, upon the approval of 55% of its voters voting on the proposition, and would also make conforming changes to related provisions.

3. The California Constitution prohibits specified local government agencies from incurring any indebtedness exceeding in any year the income and revenue provided in that year, without the assent of 2/3 of the voters and subject to other conditions. In the case of a school district, community college district, or county office of education, the California Constitution permits a proposition for the incurrence of indebtedness in the form of general obligation bonds for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities, to be adopted upon the approval of 55% of the voters of the district or county, as appropriate, voting on the proposition at an election.

   This measure would similarly lower to 55% the voter-approval threshold for a city, county, or city and county to incur bonded indebtedness, exceeding in any year the income and revenue provided in that year, that is in the form of general obligation bonds issued...
to fund public libraries.
local program: no.

Resolved by the Senate, the Assembly concurring, That the
Legislature of the State of California at its 2013-14 Regular Session
commencing on the third day of December 2012, two-thirds of the
membership of each house concurring, hereby proposes to the people of
the State of California, that the Constitution of the State be
amended as follows:
First-- That Section 1 of Article XIII A thereof is amended to
read:
SECTION 1. (a) The maximum amount of any ad valorem tax on
real property shall not exceed $1
percent of the full cash value of
that property. The tax
shall be collected by the counties and
apportioned according to law to the districts within the counties.
(b) The limitation provided for in subdivision (a) shall not apply
to ad valorem taxes or special assessments to pay the interest and
redemption charges on any of the following:
(1) Indebtedness approved by the voters prior to July 1, 1978.
(2) Bonded indebtedness for the acquisition or improvement of real
property approved on or after July 1, 1978, by two-thirds of the
votes cast by the voters voting on the proposition.
(3) Bonded indebtedness incurred by a school district, community
college district, or county office of education for
to fund the construction, reconstruction,
rehabilitation, or replacement of school facilities, including the
furnishing and equipping of school facilities, or the acquisition or
lease of real property for school facilities, approved by 55 percent
of the voters of the district or county, as appropriate, voting on
the proposition on or after the effective date of the
measure adding this paragraph. November 8, 2000
This paragraph shall apply only if the proposition approved by the
voters and resulting in the bonded indebtedness includes all of the
following accountability requirements:
(A) A requirement that the proceeds from the sale of the bonds be
used only for the purposes specified in Article XIII
Section 1(b)(3), this paragraph and not for any other purpose, including
teacher and administrator salaries and other school operating
expenses.
(B) A list of the specific school facilities projects to be funded
and certification that the school district board, community college
board, or county office of education has evaluated safety, class size
reduction, and information technology needs in developing that list.
(C) A requirement that the school district board, community
college board, or county office of education conduct an annual,
independent performance audit to ensure that the funds have been
expended only on the specific projects listed.
(D) A requirement that the school district board, community
college board, or county office of education conduct an annual,
independent financial audit of the proceeds from the sale of the
bonds until all of those proceeds have been expended for the school
facilities projects.
(4) Bonded indebtedness, approved by 55 percent of the voters of a city, county, city and county, or special district, as applicable, voting on the proposition on or after the effective date of the measure adding this paragraph, incurred by the city, county, city and county, or special district to fund the construction, reconstruction, rehabilitation, or replacement of public library facilities, including the furnishing and equipping of public library facilities, or the acquisition or lease of real property for public library facilities.

(c) Notwithstanding any other provisions of law or of this Constitution, a school district, community college district, and county offices of education district, community college district, county office of education, city, county, city and county, or special district may levy a 55 percent vote ad valorem tax pursuant to subdivision (b).

Second-- That Section 4 of Article XIII A thereof is amended to read:

SEC. 4. Cities, Counties and special districts,
Except as provided by Section 4.5, a city, county, or special district, by a two-thirds vote of the qualified electors of such district, its voters voting on the proposition, may impose a special tax within that city, county, or special district, except an ad valorem tax on real property or a transaction tax or sales tax on the sale of real property within such City, County that city, county, or special district.

Third-- That Section 4.5 is added to Article XIII A thereof, to read:

SEC. 4.5. The imposition, extension, or increase of a special tax by a city, county, city and county, or special district, as may otherwise be authorized by law for the purpose of funding public libraries, is subject to approval by 55 percent of the voters in the city, county, city and county, or special district, as applicable, voting on the proposition.

Fourth-- That Section 2 of Article XIII C thereof is amended to read:

SEC. 2. Local Government Tax Limitation.
Notwithstanding any other provision of this Constitution:
(a) All taxes Any tax imposed by any local government shall be deemed to be-- is either a general tax or a special tax.

(b) Special-purpose districts A special district or agency having a school district, shall have authority to levy a general tax.

(b) No-- A local government may not impose, extend, or increase any general tax unless and until that tax is submitted to the electorate and approved by a majority vote. A general tax shall be deemed to have been increased if it is imposed at a rate not higher than the maximum rate so approved. The election required by this subdivision shall be consolidated with a regularly scheduled general election for members of the governing body of the local government, except in cases of emergency declared by an unanimous vote of the governing body.
(c) Any general tax imposed, extended, or increased, without voter approval, by any local government on or after January 1, 1995, and prior to the effective date of this article, may continue to be imposed only if that general tax is approved by a majority vote of the voters voting in an election on the issue of the imposition, which election shall be held within two years of the effective date of this article no later than November 6, 1996, and in compliance with subdivision (b).

(d) Except as provided by Section 4.5 of Article XIII A, a local government may not impose, extend, or increase any special tax unless and until that tax is submitted to the electorate and approved by a two-thirds vote. A special tax is not deemed to have been increased if it is imposed at a rate not higher than the maximum rate so approved.

Fifth—That Section 3 of Article XIII D thereof is amended to read:

SEC. 3. Property Taxes, Assessments, Fees and Charges imposed: (a) An agency shall not assess a tax, assessment, fee, or charge upon any parcel of property or upon any person as an incident of property ownership except:

(1) The ad valorem property tax imposed pursuant to Article XIII and Article XIII A.

(2) Any special tax receiving a two-thirds vote pursuant to Section 4 of Article XIII A or, as applicable, a 55-percent vote pursuant to Section 4.5 of Article XIII A.

(3) Assessments as provided by this article.

(4) Fees or charges for property related services as provided by this article.

(b) For purposes of this article, fees for the provision of electrical or gas service are not deemed charges or fees imposed as an incident of property ownership.

Sixth—That Section 18 of Article XVI thereof is amended to read:

SEC. 18. (a) No county, city, town, township, board of education, or school district, shall incur any indebtedness or liability in any manner or for any purpose exceeding in any year the income and revenue provided for that year, without the assent of two-thirds of the voters of the public entity voting at an election to be held for that purpose, except that with respect to any such public entity which is authorized to incur indebtedness for public school purposes, any proposition for the incurrence of indebtedness in the form of general obligation bonds for the purpose of repairing, reconstructing, or replacing public school buildings determined, in the manner prescribed by law, to be structurally unsafe for school use, shall be adopted upon the approval of a majority of the voters of the public entity voting on the proposition at that election; nor unless before or at the time of incurring such indebtedness the indebtedness, provision shall be made for the collection of an annual tax sufficient to pay the interest on the indebtedness as it falls due, and to provide for a sinking fund for the payment of the principal thereof, on or before maturity, which shall not exceed forty years from the time of contracting the indebtedness.
(b) Notwithstanding subdivision (a), on or after the effective date of the measure adding this subdivision, November 8, 2000, in the case of any school district, community college district, or county office of education, any proposition for the incurrence of indebtedness in the form of general obligation bonds for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities, shall be adopted upon the approval of 55 percent of the voters of the district or county, as applicable, voting on the proposition at an election. This subdivision shall apply only to a proposition for the incurrence of indebtedness in the form of general obligation bonds for the purposes specified in this subdivision if the proposition meets all of the accountability requirements of paragraph (3) of subdivision (b) of Section 1 of Article XIII A.

(c) Notwithstanding subdivision (a), on or after the effective date of the measure adding this subdivision, in the case of any city, county, or city and county, any proposition to incur indebtedness in the form of general obligation bonds shall be adopted by 55 percent of the voters of the city, county, or city and county, as applicable, voting on the proposition at an election, where the general obligation bonds would fund public libraries, including, but not limited to, the construction, reconstruction, rehabilitation, or replacement of public library facilities, the furnishing and equipping of public library facilities, or the acquisition or lease of real property for public library facilities.

(d) When two or more propositions for incurring any indebtedness or liability are submitted at the same election, the votes cast for and against each proposition shall be counted separately, and when two-thirds or a majority or 55 percent of the voters, as the case may be, voting on any one of those propositions, vote in favor thereof, the proposition shall be deemed adopted.