CONTRA COSTA COUNTY LIBRARY COMMISSION
AGENDA ATTACHMENT 2

MEETING DATE: Thursday, March 23, 2017
AGENDA ITEM #: 12.A
ITEM: STATE CONSTITUTIONAL AMENDMENT 3

RECOMMENDED ACTION:
Commissioners will vote on any resolutions to be sent to the Board of Supervisors.
January 31, 2017
TO:     CLA MEMBERS/ SYSTEMS/ NETWORK CONTACTS
FROM:   Mike Dillon and Christina DiCaro, CLA Lobbyists
RE:     News From the Capitol

SENATOR BILL DODD INTRODUCES SCA 3: 
ESTABLISHES 55% VOTE THRESHOLD FOR LOCAL LIBRARY BOND CONSTRUCTION PROJECTS

Senator Bill Dodd (D-Napa) has introduced Senate Constitutional Amendment 3, which seeks to lower the vote threshold for the passage of local library construction bond projects from the current 2/3rds local vote requirement to 55%. In a press release issued by Senator Dodd, he stated, “Our public libraries provide critical services to our state, educating future generations, promoting lifelong learning and providing cultural enrichment. That’s why we need to empower local communities to better maintain and expand the accessibility and capacity at their public libraries.” Two Senators have also agreed to co-author the measure: Senator Mike McGuire (D-Healdsburg) and Senator Bob Wieckowski (D-Fremont).

In the press release issued by Senator Dodd, CLA President Helen McAlary stated that it is important to “give local voters the tools to decide if they want to support these special and vital community centers.” CLA will serve as the official sponsor of SCA 3.

In late October, Senator Dodd’s Legislative Director indicated that the Senator was contemplating authoring this important legislation on behalf of California’s public libraries. Earlier this month, CLA formed a small “task force,” consisting of representatives from Senator Dodd’s district and your lobbyists, to assist Mr. Dodd’s staff in preparing the legislation and the supporting materials required for bill introduction. Starting in the Senate, the bill will likely be referred to two policy committees which will have jurisdiction over the subject matter – the Senate Governance and Finance Committee and the Senate Elections and Constitutional Amendments Committee. Please look for information in the coming weeks from us regarding how to contact the members of these two committees, to register your support of SCA 3.

Many of you have told us over the years that while a statewide General Obligation construction bond for public libraries would be very helpful to your communities, the ability to secure a lower vote threshold for local library bond construction would be even more productive. As such, today’s action by Senator Dodd is exciting news and CLA thanks him for his leadership and support of libraries in authoring SCA 3.

Attached is a copy of SCA 3 for your information.

Attachments:
Press Release: Senator Dodd Introduces Measure to Support Libraries
SCA 3

Web Link: http://www.cla-net.org/?page=1021
AMENDED IN SENATE MARCH 06, 2017

CALIFORNIA LEGISLATURE—2017-2018 REGULAR SESSION

SENATE CONSTITUTIONAL AMENDMENT

No. 3

Introduced by Senator Dodd
(Coauthors: Senators McGuire, Hill, McGuire, and Wieckowski)

January 30, 2017

A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by amending Section 1 of Article XIII A thereof, and by amending Section 18 of Article XVI thereof, relating to public libraries.

LEGISLATIVE COUNSEL'S DIGEST

SCA 3, as amended, Dodd. Local government financing: public libraries: voter approval.

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 that include a tax rate to service bonded indebtedness incurred by a school district, community college district, or county office of education for school facilities and approved by 55% of the voters of the district or county voting on the proposition at an election.

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, if the proposition meets specified requirements.

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.

http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SCA3
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.

Vote: 2/3 Appropriation: no Fiscal Committee: no Local Program: no

Resolved by the Senate, the Assembly concurring, That the Legislature of the State of California at its 2017-18 Regular Session commencing on the fifth day of December 2016, 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 1 percent 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 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 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 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) (A) 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.

(B) This paragraph shall apply only if the proposition approved by the voters includes all of the following accountability requirements:

(i) A requirement that the proceeds from the sale of the bonds be used only for the purposes specified in this paragraph and not for any other purpose, including personnel and operating expenses of the public library.

(ii) A list of the specific public library facilities projects to be funded and certification that the city, county, city and county, or special district has evaluated the degree to which existing public library facilities are inadequate in meeting the needs of, and the degree to which the proposed public library facilities projects respond to the needs of, the residents in the library service area, in the development of that list.
(iii) A requirement that the city, county, city and county, or special district conduct an annual, independent performance audit to ensure that the funds have been expended only on the public library facilities projects listed.

(iv) A requirement that the city, county, city and county, or special district 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 public library facilities projects.

(C) For purposes of this paragraph, "special district" has the same meaning as that term is used in subdivision (c) of Section 1 of Article XIII C, but does not include a redevelopment agency.

(c) Notwithstanding any other provisions of law or of this Constitution, a school 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 18 of Article XVI thereof is amended to read:

SEC. 18. (a) A county, city, town, township, board of education, or school district shall not 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 that 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 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 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 appropriate, 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.