CONTRA COSTA COUNTY LIBRARY COMMISSION
AGENDA ATTACHMENT 4

MEETING DATE: Thursday, May 25, 2017
AGENDA ITEM #: 10.B.
ITEM: STATE CONSTITUTIONAL AMENDMENT-3

RECOMMENDED ACTION:

No action is recommended.
SENATE COMMITTEE ON
ELECTIONS AND CONSTITUTIONAL AMENDMENTS
Senator Henry Stern, Chair
2017 - 2018 Regular

Bill No: SCA 3  Hearing Date: 5/2/17
Author: Dodd
Version: 3/6/17
Urgency: Fiscal: No
Consultant: Darren Chesin

Subject: Local government financing: public libraries: voter approval

DIGEST

This measure lowers from two-thirds to 55% the threshold for voter approval for bond measures for library infrastructure projects.

ANALYSIS

Existing law:

1) 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 two-thirds of the voters. In the case of a school district, community college district, or county office of education, the 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:

1) Lowers the voter approval threshold from two-thirds to 55% for a local agency to issue bonded indebtedness to fund the following:
   a) Construction, reconstruction, rehabilitation, or replacement of library facilities.
   b) Furnishing and equipping of public library facilities.
   c) Acquisition or leasing of real property intended for library services.

2) Provides that, similar to Proposition 39 of 2000, the 55% threshold for bonded indebtedness for libraries only applies if the following accountability requirements are met:
   a) The proceeds from the sale of the bonds are used only for the specified purposes.
b) A list of specific public library facility projects is provided.

c) The local agency certifies that it has evaluated the degree to which existing public library facilities are inadequate to the needs of the residents in the library service area.

d) The local agency conducts an annual, independent performance audit to ensure funds are being expended on the listed projects.

e) The local agency conducts an annual, independent financial audit of the bond proceeds from the sale of the bonds until all proceeds have been expended.

3) Makes additional clarifying and conforming changes to the constitution.

BACKGROUND

Public Libraries. Cities and counties can operate libraries, and voters may also form special districts for the express purpose providing library services. According to a study conducted earlier this year by the California Research Bureau (CRB), there are 184 local public library jurisdictions throughout the state. This number of local jurisdictions includes cities, counties, special districts, and joint powers authorities. The same study identified that in 2014-2015 there were 21,622,487 registered borrowers for public libraries with a total of 159,948,707 individual visits.

Local Tax Authority. Cities and counties that operate libraries can fund them out of general tax revenue, such as utility or sales tax; library districts are often funded from a share of the property tax. Current law additionally allows cities, counties, or library districts to levy parcel taxes. The agency may implement these taxes, (for as long as it wants) spend the proceeds for any purpose, and apply any tax rate it chooses. Voters must approve parcel taxes by a two-thirds threshold by law. Additionally, cities, counties, and special districts may form Community Facilities Districts (CFD), also known as Mello-Roos Districts, to levy special taxes (parcel taxes). A Mello-Roos Community Facilities District issues bonds against these special taxes to finance the public works projects. Like all special taxes, Mello-Roos Act special taxes require two-thirds voter approval.

City and counties can also impose transactions and use taxes to fund libraries, provided that the combined rate in the county does not exceed 2 percent, upon two-thirds vote of the local agency's governing board and two-thirds voter approval.

Bonds. The California Constitution requires counties, cities, and school districts to obtain voter approval when issuing long-term debt. Counties, cities, school districts, community college districts, and some special districts can issue general obligation (GO) bonds, secured by ad valorem property tax revenues, with two-thirds voter approval. Local GO bonds automatically trigger an increased tax to repay the bond. Allowing local agencies to issue bonds provides upfront funding to begin a construction project and the debt is repaid over an extended time period with the increased tax. The constitution further bars school districts from imposing general taxes, but allows school districts, community college districts, and county offices of education to issue bonded indebtedness for school facilities with 55% percent approval per Proposition 39 of 2000.
California's public libraries have placed 10 bond measures on local ballots since 2006. Out of these measures, six passed with the necessary two-thirds voter approval. Among the four bond measures that failed, three received more than 59% of the popular vote. In order to create access to as many residents as possible, library advocates want to lower voter approval thresholds for local governments to fund library construction with bonds.

COMMENTS

1) According to the author: There are 1,114 public libraries in California. Libraries provide vital services to the state's educational system and to communities across the state. More than 22 million people use California's public libraries annually. Students, adults, seniors and those with hearing and visual impairments, among others, rely on public libraries more than ever before. Libraries provide a variety of services including literacy and study instruction, Internet access, and disability services. Professional librarians assist people in finding source material for research, employment training and work opportunities, reading pleasure, and more. Libraries are also an integral part of our public education system, where students receive guidance for effective study habits. This service has become even more important in light of cutbacks in school based libraries over the last 15 years.

The last state library bond was approved by voters in 2000. The bond amount was $350 million. However, because the statewide need was more than $2 billion at that time, approximately three-fourths of the shovel ready library projects were left unfunded. According to a needs assessment done in 2016, there are 559 California public library “immediate need” projects awaiting $4.1 billion in funds. Projects range from seismic retrofits, to addressing ADA compliance issues, to the addition of more space to meet growing demand.

The California constitution requires cities, counties, and school districts to obtain voter approval for long term debt. If the debt is secured by an ad valorem tax on property, the debt must have two-thirds voter approval. The constitution however, allows school districts, community college districts, and county offices of education to issue bonded indebtedness for school facilities with 55% voter approval. Since libraries are an extension of the public education system, SCA 3 would lower the vote threshold to approve the issuance of bonds by cities, counties, and special districts for the purpose of constructing, reconstructing, rehabilitating, or replacing public libraries, to 55% instead of two-thirds of the voters voting in an election.

2) According to Opponents: Opponents of lowering the voting threshold to 55% argue ballot measures that fail to obtain a two-thirds majority are a result of an inadequate or unreasonable spending plan more often than a lack of will from the voters to approve the issuance of debt. It is the responsibility of the local agency to create and adopt a practical spending plan that convinces the voters to approve passage of a bond measure. Since 1879, most local bonds have required a supermajority of voters to approve. When voters believe a project is necessary, obtaining a two-thirds vote is not an obstacle. SCA 3 runs counter to the expressed views of
Californians and would, instead, allow bonded indebtedness to be incurred with a mere 55% vote.

**PRIOR ACTION**

Senate Governance and Finance Committee: 5-2

**RELATED/PRIOR LEGISLATION**

SCA 6 (Wiener), which is pending in the Senate Transportation and Housing Committee, would lower the vote threshold for cities, counties, or special districts to levy a special tax for transportation infrastructure projects from two-thirds to 55%.

ACA 4 (Aguiar-Curry), which is pending in the Assembly Local Government Committee, would lower the voter threshold from two-thirds to 55% for approval of bonds to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure or affordable housing.

SCA 7 (Wolk, of 2014), which was similar to this measure, was approved by this committee but was held in the Senate Appropriations Committee.

**POSITIONS**

**Sponsor:** California Library Association

**Support:** Senator Lois Wolk (ret.)
Altadena Libraries
City of Berkeley
City of Concord
City of El Cerrito
City of Ontario
City of Porterville
City of Sunnyvale
Cloverdale Library Advisory Board
Contra Costa County Board of Supervisors
Council of California County Law Librarians
County of Yolo
El Cerrito Library Foundation
Friends of the Marin County Free Library
Friends of the Mt. Shasta Library
Friends of the Sacramento Public Library
Group 4 Architecture, Research + Planning Inc.
League of Women Voters of California
Mono County Free Library
Monterey County Board of Supervisors
Napa County Board of Supervisors
Noll & Tam
Oakland Public Library Advisory Commission
Ontario City Library
Palos Verdes Library District
Placentia Library District
Redwood City Public Library Board
Santa Clara County Board of Supervisors
Service Employees International Union
Solano County Board of Supervisors

Oppose:
Apartment Association, California Southern Cities
Apartment Association of Orange County
Calaveras County Taxpayers Association
California Association of Realtors
California Taxpayers Association
Coalition of Sensible Taxpayers- Marin County
Contra Costa Taxpayers' Association
East Bay Rental Housing Association
Howard Jarvis Taxpayer Association
Kern County Taxpayers Association
National Federation of Independent Business
North Valley Rental Property Association
Orange County Business Council
San Diego County Apartment Association
Solano County Taxpayers Association
Sutter County Taxpayers Association

-- END --
March 14, 2017

The Honorable Mike McGuire, Chair  
Senate Governance and Finance Committee  
California State Senate  
State Capitol, Room 112  
Sacramento, CA. 95814

RE: SCA 3 (Dodd) Local Government Finance: Libraries: Voter Approval—SUPPORT—Committee Date March 29, 2017

Dear Senator McGuire and Committee Members:

On behalf of the Contra Costa County Board of Supervisors, I am writing to communicate our support of SCA 3 which would reduce the voter threshold for library construction bond measures to 55%. This is the same passage level as for school measures.

Throughout our county, there are several communities that are planning to build new libraries in the coming years. Their current over-crowded libraries are now too small given the heavy use by their residents. These libraries offer a safe place for students to do their homework, offer free computer access so people can research new job opportunities and obtain the information they need to be an active participant in the 21st Century economy. They also serve as their community living rooms.

Thank you, Senator McGuire, for co-authoring SCA 3. We urge your Committee to vote “AYE” on this bill and look forward to its passage.

Sincerely,

FEDERAL D. GLOVER  
Chair, Board of Supervisors

cc: Members, Board of Supervisors  
Members, Senate Governance and Finance Committee  
Contra Costa County Legislative Delegation  
David Twa, County Administrator  
Melinda Cervantes, County Librarian
March 17, 2017

The Honorable Mike McGuire, Chair
California State Senate
State Capitol, Room 5061
Sacramento, CA 95814
Fax: (916) 651-4902

Subject: Support Senate Constitutional Amendment 3 (SCA3)

Dear Senator McGuire:

On behalf of the residents of the City of Concord, I am writing to strongly support passage of SCA3 which would reduce the voter threshold for library construction bond measures to 55%. This is the same passage level as for school measures.

In the coming years, Concord will be developing the former Concord Naval Weapons Station. This will add approximately 28,000 new residents to our community. Our goal is to build a state of the art library to serve not only the new residents but also the entire community.

Our Contra Costa County libraries offer a safe place for students to do their homework. They provide free computer access so people can research new job opportunities and to obtain the information they need to be an active participant in the 21st Century economy.

Thank you for co-authoring SCA3. We look forward to its passage.

Sincerely,

Laura Hoffmeister
Mayor of Concord
cc: The Honorable Janet Nguyen, Vice Chair
    The Honorable Jim Beall
    The Honorable Ed Hernandez
    The Honorable Bob Hertzberg
    The Honorable Ricardo Lara
    The Honorable John Moorlach
    The Honorable Bill Dodd
    Steve Glazier, Senator
    Timothy S. Grayson, Assemblymember
    Melinda Cervantes, County Librarian
    Contra Costa County Library Commission
    Sam Caygill, League of CA Cities
    Concord City Council
    Valerie Barone, City Manager
    Joelle Fockler, City Clerk
April 4, 2017

The Honorable Mike McGuire, Chair
Senate Governance and Finance Committee
California State Senate
State Capitol, Room 112
Sacramento, CA 95814


Dear Senator McGuire and Committee Members:

On behalf of the City of El Cerrito City Council, I am writing to communicate our support for SCA 3 which would reduce the voter threshold for library construction bond measures to 55%. This is the same passage level for similar school measures.

Throughout our county, there are several communities that are planning to build new libraries in the coming years. Their overcrowded libraries are now too small given the heavy use by their residents. In El Cerrito, our library is not built to current earthquake standards, is too small and cannot handle the new technological demands of modern libraries. New libraries offer a safe place for students to do their homework, offer free computer access to people of all ages, allow people to research new job opportunities and obtain the information they need to be an active participant in the 21st Century economy. They also serve as community focal points and meeting places.

Thank you Senator McGuire, for co-authoring SCA 3. We urge your committee to vote "AYS" on this bill and look forward to its passage.

Sincerely,

Janet Abelson
Mayor, City of El Cerrito

Cc: El Cerrito City Council
   State Senator Nancy Skinner
   Assembly Member Tony Thurmond
   County Librarian, Melinda Cervantes
April 20, 2017

The Honorable Henry Stern, Chair
California State Senate
Senate Elections and Constitutional Amendments Committee
State Capitol, Room 3070
Sacramento, CA 95814

RE: SCA 3 (Dodd): SUPPORT 55% VOTE FOR LIBRARY BOND CONSTRUCTION

Dear Senator Stern and Committee Members:

On behalf of the El Cerrito City Council, I am writing to communicate our support for SCA 3 which would reduce the voter threshold for library construction bond measures to 55%. This is the same passage level for similar school measures.

Throughout our county, there are several communities that are planning to build new libraries in the coming years. Their overcrowded libraries are now too small given the heavy use by their residents. In El Cerrito, our library is not built to current earthquake standards, is too small and cannot handle the new technological demands of modern libraries. New libraries offer a safe place for students to do their homework, offer free computer access to people of all ages, allow people to research new job opportunities and obtain the information they need to be an active participant in the 21st Century economy. They also serve as community focal points and meeting places.

We urge your committee to vote “yes” on this important piece of legislation, which will make such a difference in the lives of constituents you serve and look forward to its passage.

Sincerely,

Janet Abelson
Mayor, City of El Cerrito

cc: State Senator Bill Dodd
State Senator Nancy Skinner
Assembly Member Tony Thurmond
County Librarian, Melinda Cervantes
El Cerrito City Council
April 20, 2017

The Honorable Henry Stern, Chair
California State Senate
State Capitol, Room 3070
Sacramento, CA. 95814

via Fax: (916) 651-4927

Subject: Support Senate Constitutional Amendment 3 (SCA3)

Dear Senator Stern:

On behalf of the residents of the City of Concord, I am writing to strongly support passage of SCA3 which would reduce the voter threshold for library construction bond measures to 55%. This is the same passage level as for school measures.

In the coming years, Concord will be developing the former Concord Naval Weapons Station. This will add approximately 28,000 new residents to our community. Our goal is to build a state of the art library to serve not only the new residents as well as the entire community.

Our Contra Costa County libraries offer a safe place for students to do their homework. They provide free computer access so people can research new job opportunities and to obtain the information they need to be an active participant in the 21st Century economy.

Thank you in advance Senator Stern, for your support of SCA3. We look forward to its passage.

Sincerely,

Laura Hoffmeister
Mayor of Concord

cc: Senator Joel Anderson, Vice Chair, FAX: 916-651-4938
Senator Ben Allen, FAX: 916-651-4926
Senator Bob Hertzberg, FAX: 916-651-4918
Senator Connie Leyva, FAX: 916-651-4920
Senator John Moorlach, FAX: 916-651-4937
Senator Bill Dodd, FAX: 916-651-4903
Concord City Council
Valerie Barone, City Manager
Joelle Fockler, City Clerk
Melinda Cervantes, Contra Costa County Librarian
Alan Smith, Contra Costa County Library Commission
Sam Caygill, League of CA Cities
May 9, 2017

The Honorable Mike McGuire, Chair
Senate Governance and Finance Committee
California State Senate
State Capitol, Room 112
Sacramento, CA. 95814

RE: SCA 3 (Dodd) Local Government Finance: Libraries: Voter Approval—SUPPORT—Committee Date March 29, 2017

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Sincerely,

FEDERAL D. GLOVER
Chair, Board of Supervisors

cc: Members, Board of Supervisors
Members, Senate Governance and Finance Committee
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David Twa, County Administrator
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