

City of Sacramento  
State Legislature



B I L L R E F E R R A L

DATE: MAR 28 1990 COMMITTEE ACTION: \_\_\_\_\_

TO: B. Masuoka DATE: \_\_\_\_\_

FROM: KENNETH EMANUELS, LEGISLATIVE ADVOCATE

REPLY NO LATER THAN: APR 10 1990

A.B. \_\_\_\_\_, As Amended \_\_\_\_\_ \* Author \_\_\_\_\_

S.B. 152, As Amended 3-22-90\* Author Garamendi

\*Date of introduction or latest amendment

Please review the attached measure to determine its effect upon the City of Sacramento and complete the following questions as appropriate. During your analysis of this measure, if questions arise, please feel free to contact Ken Emanuels at 444-6789, FAX 444-0303, (1400 K Street, Suite 306, Sacramento, CA 95814.) This questionnaire should be returned to the City Attorney's Office for presentation to the Council Committee on Law and Legislation. PLEASE LEAVE THE BILL ATTACHED TO THIS FORM.

NO RECOMMENDATION. If you think no Committee action on this bill should be taken, either because the bill is not of sufficient importance to the City or for any other reason, please mark here, do not fill out the rest of the form, and return this form to the City Attorney's Office. \_\_\_\_\_.

PLEASE TYPE YOUR RESPONSE

1. Briefly describe the provisions of the bill (attach additional sheets if necessary).

*Clean up language for SCA 1 (Proposition III) which clarifies definitions to be used in Gann Limit calculations. The proposed definitions are broader than current language*

2. This measure should be: (Please circle desired position)

- Supported
- Opposed
- Supported if Amended
- Placed on Watch List
- Other (explain)

3. Please explain your reasons for the above determination, including how this measure effects your Department and the fiscal impact of this measure on the City. Please make your comments in a format that can be used in a letter to state officials. (Continue on next page or attach additional sheets if necessary.)

*The broader definitions will give relief to gov'ts that are hitting their Gann limit. (The City of Sac is not in this)*

(Continue answer to Question No. 3 here)

But, we should support this to maintain maximum flexibility to establish taxes.

4. Specify the City's legislative policy guideline(s) applicable to this measure (if any).

5. If this measure could be amended to either improve its favorable aspects or to minimize its adverse aspects, which amendments would you propose?

6. List known support or opposition to this measure by groups with which you are familiar and include addresses and phone numbers, if known. League of California Cities position:

LCC Supports

7. Does this bill involve a State-mandated local program? If so, does the bill contain a State-mandated waiver, or an appropriation for allocation and disbursement to local agencies pursuant to Revenue and Taxation Code Section 2231?

8. Using a rating scale of 1 to 10 (with 10 as the most important), how important do you think this bill is to the City of Sacramento? 10 / Prop III is a 10

FORM COMPLETED BY:

Patty Masnick

DATE:

4/11

Introduced by Senator Garamendi

January 9, 1989

An act to amend Section 42122 of the Education Code, and to amend Sections 7901 and 7906 of Section 7901 of, and to add Section 7914 to, the Government Code, relating to education appropriations limitations.

LEGISLATIVE COUNSEL'S DIGEST

SB 152, as amended, Garamendi. School finance Appropriations limitations.

Existing law establishes provisions for the implementation of Article XIII B of the California Constitution with respect to expenditure limitations by state and local jurisdictions. Formulas are established to determine the appropriations limit by the state and existing local jurisdictions for the fiscal years and for new cities incorporated after the enactment of Article XIII B.

Existing law requires school district budgets and community college district annual financial and budget reports to show proposed expenditures, estimated revenues, and comparisons with the last fiscal year, and requires those budgets and reports to include the appropriations limit and total annual appropriations subject to limitation in accordance with Article XIII B.

This bill would revise the methodology of determining the appropriations limit for school districts.

Existing provisions of Article XIII B of the California Constitution prohibit the annual appropriations subject to limitation, as defined, of an entity of government from exceeding its annual appropriations limit and provide for annual adjustments in that limit based on changes in the cost

of living and population, calculated in a specified manner.

Existing statutory provisions provide for the implementation of Article XIII B of the California Constitution and, among other things, define various terms.

This bill would delete the definition of the term "change in cost of living for a calendar year."

This bill would authorize a city or special district, with respect to the "change in population" for purposes of the annual adjustment in the appropriations limit, to choose to use the change in population within its jurisdiction or within the county in which it is located. A special district located in 2 or more counties would be permitted to choose to use the change in population in the county in which the portion of the district is located which has the highest assessed valuation.

This bill would authorize a county, with respect to the "change in population" for purposes of the annual adjustment in the appropriations limit, to annually select 1 of 3 specified percentage changes in population.

Existing provisions of Article XIII B of the California Constitution exclude certain appropriations from the appropriations limit for each entity of government.

This bill would define the term "qualified capital outlay project" for purposes of a proposed change to Article XIII B of the California Constitution regarding the appropriations limit.

This bill would require the calculation of the appropriations limits of the state and of local agencies for 1990-91 and future fiscal years to incorporate the definitions prescribed by this measure.

This bill would become operative only if SCA 1 is approved by the voters.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1     ~~SECTION 1. Section 42122 of the Education Code is~~  
2     SECTION 1. Section 7901 of the Government Code is  
3 amended to read:

4     7901. For the purposes of Article XIII B of the  
5 California Constitution and this division:

6     (a) "Change in California per capita personal income"  
7 ~~for a calendar year~~ means the number resulting when the  
8 quotient of the California personal income, as published  
9 by the United States Department of Commerce in the  
10 Survey of Current Business for the fourth quarter of a  
11 calendar year divided by the civilian population of the  
12 state on January 1 of the next calendar year, as estimated  
13 by the Department of Finance, is divided by the similarly  
14 determined quotient for the next prior year. For  
15 example, the change in California per capita personal  
16 income for 1979 (to be used for computing the  
17 appropriations limit for the 1980-81 fiscal year) would  
18 equal the fourth quarter 1979 personal income divided by  
19 the January 1, 1980, population, the quotient divided by  
20 the fourth quarter 1978 personal income divided by the  
21 January 1, 1979, population.

22     (b) "~~Change in cost of living~~" for a calendar year  
23 means the number resulting when the United States All  
24 Urban Consumer Price Index for the month of March of  
25 a calendar year is divided by that index for the month of  
26 March of the prior calendar year.

27     (c) "Change in population" for a local agency for a  
28 calendar year means the number resulting when the  
29 percentage change in population between January 1 of  
30 the next calendar year and January 1 of the calendar year  
31 in question, as estimated by the Department of Finance  
32 pursuant to Section 2227 of the Revenue and Taxation  
33 Code for each city and county and Section 2228 of the  
34 Revenue and Taxation Code for each special district, plus  
35 100, is divided by 100. For example, the change in  
36 population for 1979 would equal the percentage change  
37 in population between January 1, 1980, and January 1,  
38 1979, plus 100, the sum divided by 100. For purposes of the

1 state's appropriations limit, "change in population"  
2 means the number resulting when the civilian population  
3 of the state on January 1 of the next calendar year, as  
4 estimated by the Department of Finance, is divided by  
5 the similarly estimated population for January 1 of the  
6 calendar year in question. For example, the change in  
7 population for 1979 (to be used for computing the  
8 appropriations limit for the 1980-81 fiscal year) would  
9 equal the January 1, 1980, population divided by the  
10 January 1, 1979, population.

11 *A city or special district may choose to use the change*  
12 *in population within its jurisdiction or within the county*  
13 *in which it is located. For a special district located in two*  
14 *or more counties, the special district may choose to use*  
15 *the change in population in the county in which the*  
16 *portion of the district is located which has the highest*  
17 *assessed valuation. Each city and special district shall*  
18 *select its change in population pursuant to this paragraph*  
19 *annually by a recorded vote of the governing body of the*  
20 *city or special district. A charter city and county may*  
21 *choose to use the change in population provided in this*  
22 *paragraph or may choose to use the change in population*  
23 *provided in Section 2 of Chapter 1221 of the Statutes of*  
24 *1980.*

25 *A county may choose to use any one of the following:*

26 *(1) The change in population within its jurisdiction.*

27 *(2) The change in population within its jurisdiction,*  
28 *combined with the change in population within all*  
29 *counties having borders that are contiguous to that*  
30 *county.*

31 *(3) The change in population within the incorporated*  
32 *portion of the county.*

33 ~~(d)~~

34 *(c) "Change in population" for a school district means*  
35 *the change in average daily attendance between the year*  
36 *prior to that for which the appropriations limit is being*  
37 *computed and the year for which the appropriations limit*  
38 *is being computed, using the average daily attendance as*  
39 *defined in Section 7906.*

40 ~~(e)~~

1 (d) "Change in population" for a community college  
2 district means the number resulting when the average  
3 daily attendance for the community college district for  
4 the current year computed pursuant to Section 84500  
5 reported by the community college district for state  
6 apportionment funding purposes computed pursuant to  
7 Article 2 (commencing with Section 84520) of Chapter 4  
8 of Part 50 of the Education Code is divided by the  
9 similarly computed average daily attendance for the  
10 previous year.

11 ~~(f)~~

12 (e) "Local agency" means a city, county, city and  
13 county, special district, authority or other political  
14 subdivision of the state, except a school district,  
15 community college district, or county superintendent of  
16 schools. The term "special district" shall not include any  
17 district which (1) existed on January 1, 1978, and did not  
18 possess the power to levy a property tax at that time or  
19 did not levy or have levied on its behalf, an ad valorem  
20 property tax rate on all taxable property in the district on  
21 the secured roll in excess of 12½ cents per \$100 of assessed  
22 value for the 1977-78 fiscal year, or (2) existed on January  
23 1, 1978, or was thereafter created by a vote of the people,  
24 and is totally funded by revenues other than the proceeds  
25 of taxes as defined in subdivision (c) of Section 8 of  
26 Article XIII B of the California Constitution.

27 If a special district levied, or had levied on its behalf,  
28 different property tax rates for the 1977-78 fiscal year  
29 depending on which area or zone within the district  
30 boundaries property was located, it shall be deemed not  
31 to have levied a secured property tax rate in excess of 12½  
32 cents per \$100 of assessed value if the total revenue  
33 derived from the ad valorem property tax levied by or for  
34 the district for 1977-78, divided by the total amount of  
35 taxable assessed valuation within the district's boundaries  
36 for 1977-78, does not exceed ~~0.00125~~ .00125.

37 ~~(g)~~

38 (f) "School district" means an elementary, high  
39 school, or unified school district.

40 ~~(h)~~

1 (g) "Local jurisdiction" means a local agency, school  
2 district, community college district, or county  
3 superintendent of schools.

4 ~~(i)~~

5 (h) As used in Section 2 and subdivision (b) of Section  
6 3 of Article XIII B, "revenues" means all tax revenues and  
7 the proceeds to a local jurisdiction or the state received  
8 from (1) regulatory licenses, user charges, and user fees  
9 to the extent that those proceeds exceed the costs  
10 reasonably borne by that entity in providing the  
11 regulation, product, or service, and (2) the investment of  
12 tax revenues as described in subdivision (i) of Section 8  
13 of Article XIII B. For a local jurisdiction, revenues and  
14 appropriations shall also include subventions, as defined  
15 in Section 7903, and with respect to the state, revenues  
16 and appropriations shall exclude those subventions.

17 ~~(j)~~

18 (i) (1) "Proceeds of taxes" shall not include proceeds  
19 to a local jurisdiction or the state from regulatory licenses,  
20 user charges, or user fees except to the extent that those  
21 proceeds exceed the costs reasonably borne by that entity  
22 in providing the regulation, product, or service.

23 (2) "Proceeds of taxes" also does not include the  
24 proceeds received by a local jurisdiction from a license  
25 tax imposed pursuant to Section 25149.5 of the Health and  
26 Safety Code or a tax or fee imposed pursuant to Section  
27 25173.5 of the Health and Safety Code on the operation  
28 of a hazardous waste facility, or the proceeds received by  
29 a local jurisdiction from a surcharge which is collected by  
30 a regional disposal facility, as authorized pursuant to  
31 Section 25878 of the Health and Safety Code to the extent  
32 that these proceeds of the license tax, tax, fee, or  
33 surcharge are expended for costs or increased burdens on  
34 local jurisdictions which are associated with the  
35 hazardous waste facility or regional disposal facility.  
36 These costs or burdens include, but are not limited to,  
37 general fund expenses, the improvement and  
38 maintenance of roads and bridges, fire protection,  
39 emergency medical response, law enforcement, air and  
40 groundwater monitoring, epidemiological studies,



1 emergency response training, and equipment related to  
2 the hosting of the hazardous waste facility or regional  
3 disposal facility.

4 *SEC. 2. Section 7914 is added to the Government  
5 Code, to read:*

6 *7914. An appropriation for a "qualified capital outlay  
7 project," as used in subdivision (d) of Section 9 of Article  
8 XIII B of the California Constitution, means an  
9 appropriation for a fixed asset (including land and  
10 construction) with a useful life of 10 or more years and a  
11 value which equals or exceeds one hundred thousand  
12 dollars (\$100,000).*

13 *SEC. 3. The calculation of appropriations limits of the  
14 state and of local agencies for 1990-91 and future fiscal  
15 years shall incorporate the definitions prescribed by this  
16 measure.*

17 *SEC. 4. This act shall become operative only if Senate  
18 Constitutional Amendment 1 of the 1989-90 Regular  
19 Session is approved by the voters at the statewide  
20 election on June 5, 1990.*

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**All matter omitted in this version of the  
bill appears in the bill as introduced in the  
Senate, January 9, 1989 (J.R. 11).**