



Legislation Text

File #: 09-0494, **Version:** 1

Recommendation to request City Manager to forward communication expressing City Council's support of Propositions 1A - 1F.

On Tuesday, May 19th the state of California will hold a special election for Propositions 1A-1 F. The propositions have been put forth by the state legislature in an effort to protect the state from future financial crises.

Proposition 1A is a constitutional act, designated as the Rainy Day Budget Stabilization Fund. It would require set asides of above-average revenues for use during economic downturns. 1A would increase the limit allowed to be budgeted for the stabilization fund from 5% to 12.5% a year. A separate provision of Proposition 1A extends certain tax measures passed as part of the February 2009 budget package. These are as follows: state sales and use tax, vehicle license fee increase, personal income tax surcharge and reduced income tax credit for children and other dependents.

Propositions 1 B-1 F would respectively fund public education, modernize the lottery, shift existing funds from First 5 Children's Commission to the general fund, transfer Proposition 63 mental health funds to the general fund and prevent pay increases during budget deficit years for elected officials salaries.

Supporters of the propositions include Governor Arnold Schwarzenegger, the League of California Cities, the California Teachers Association, California Taxpayers Association, California Business Roundtables, California Manufacturers and Technology Association, police and fire chiefs, sheriffs as well as many others.

Attached is a summary of the measures and proposed tax increases as presented by the City Legislative Affairs staff.

Approve recommendation.

COUNCILMEMBER PATRICK O'DONNELL, FOURTH DISTRICT
COUNCILMEMBER SUJA LOWENTHAL, SECOND DISTRICT
COUNCILMEMBER TONIA REYES URANGA, SEVENTH DISTRICT