



# REPORT TO COUNCIL

## City of Sacramento

915 I Street, Sacramento, CA 95814-2604  
www.CityofSacramento.org

STAFF REPORT  
October 10, 2006

Honorable Mayor and  
Members of the City Council

**Title:** City Positions on November 2006 State Ballot Measures

**Location/Council District:** Citywide

**Recommendation:** This report forwards the city positions approved by the Law & Legislation Committee for propositions on the November 2006 state ballot for consideration and action by the Mayor and City Council. This report also forwards a resolution supporting Propositions 1A, 1B, 1C, 1D, 1E, 83, 84, 86, 87 and opposing Propositions 85 and 90 for consideration and action by the Mayor and City Council.

**Contact:** Patti Bisharat, Director of Government Affairs, 808-8197

**Presenters:** Patti Bisharat, Director of Government Affairs, 808-8197

**Department:** City Manager's Office

**Division:** Governmental Affairs

**Organization No:** 0310

### **Description/Analysis**

**Issue:** The City's Law & Legislation Committee reviews and adopts positions on statewide ballot measures in advance of each election. These positions are forwarded to the Mayor and City Council for consideration and possible action.

**Policy Considerations:** The recommended positions are consistent with the Council adopted legislative principles related to retaining local control over issues impacting the City.

**Environmental Considerations:** None

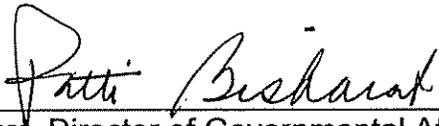
**Rationale for Recommendation:** The recommended positions were adopted by the Law & Legislation Committee and are consistent with the Council adopted legislative principles related to retaining local control over issues impacting the City.

**Financial Considerations:** None

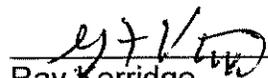


**Emerging Small Business Development (ESBD):** No goods or services are being purchased.

Respectfully Submitted by:   
Mark Prestwich, Special Projects Manager

Approved by:   
Patti Bisharat, Director of Governmental Affairs

Recommendation Approved:

   
Ray Kerridge  
City Manager

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**Attachment 1****Background**

Staff reviewed the 13 measures on the November 2006 state ballot. In developing recommendations on whether to support, oppose, remain neutral or take no position on the various ballot measures, staff considered whether the measures would directly affect the City or its operations. If the measure would have no direct effect on the City, staff recommends taking no position.

The following table summarizes the 13 state ballot measures, positions adopted by the League of California Cities, staff recommendations and positions approved by the Law & Legislation Committee:

| <b>Measure</b>  | <b>Title</b>   | <b>League of CA Cities Position</b> | <b>Staff Recommended City Position</b> | <b>Law &amp; Leg Approved Position</b> |
|-----------------|--|-------------------------------------|--|--|
| Proposition 1A  | Transportation Investment Fund   | Support                             | Support                                | Support                                |
| Proposition 1B  | Highway Safety, Traffic Reduction, Air Quality, Port Security                    | Support                             | Support                                | Support                                |
| Proposition 1C  | Housing and Emergency Shelter Trust Fund   | Support                             | Support                                | Support                                |
| Proposition 1D  | Education Facilities   | Support                             | Support                                | Support                                |
| Proposition 1E  | Disaster Preparedness and Flood Prevention                                       | Support                             | Support                                | Support                                |
| Proposition 83  | Sex Offenders. Punishment, Residence Restrictions and Monitoring                 | Support                             | Support                                | Support                                |
| Proposition 84  | Water Quality Safety and Supply, Flood Control, Park Improvements.               | Support                             | Support                                | Support                                |
| Proposition 85* | Waiting Period and Parental Notification Before Termination of Minor's Pregnancy | No Position                         | No Position*                           | Oppose                                 |
| Proposition 86  | Tax on Cigarettes  | Support                             | Support                                | Support                                |

| Measure        | Title   | League of CA Cities Position | Staff Recommended City Position | Law & Leg Approved Position |
|----------------|---|------------------------------|---------------------------------|-----------------------------|
| Proposition 87 | Alternative Energy. Research, Production, Incentives. Tax on California Oil.                        | No Position                  | Support                         | Support                     |
| Proposition 88 | Education Funding. Real Property Parcel Tax.  | No Position                  | No Position                     | No Position                 |
| Proposition 89 | Political Campaigns. Public Financing. Corporate Tax Increase. Contribution and Expenditure Limits. | No Position                  | No Position                     | No Position                 |
| Proposition 90 | Government Acquisition, Regulation of Private Property.   | Oppose                       | Oppose                          | Oppose                      |

*\* The City Council adopted an "Oppose" position on a similar proposal in 2005*

A copy of the analysis of each proposition by the Legislative Analyst is provided as "Attachment I" of this report.

The following is a brief summary and analysis of notable local impacts of each of the propositions:

**PROPOSITION 1A - TRANSPORTATION FUNDING PROTECTION**

L&L Committee Recommendation: **SUPPORT**

This measure amends the state Constitution to further limit the conditions under which the Proposition 42 transfer of gasoline sales tax revenues for transportation uses can be suspended. The measure requires Proposition 42 suspensions to be treated as loans to the general fund that must be repaid in full, including interest, within three years of suspension. The measure only allows suspension to occur twice in ten consecutive fiscal years. No suspension could occur unless prior suspensions (excluding those made prior to 2007-08) have been repaid in full.

Local Impacts: This measure would provide constitutional protection similar to the Proposition 1A approved by voters in November 2004. The measure limits the frequency and conditions under which Proposition 42 transfers may be suspended in a ten-year period, the measure would make it more difficult to use Proposition 42

gasoline tax revenues for non-transportation purposes when the state experiences fiscal difficulties. The City of Sacramento received Proposition 42 revenues totaling \$2.025 million in Fiscal Year 2005-06.

### **PROPOSITION 1B - HIGHWAY SAFETY, TRAFFIC REDUCTION, AIR QUALITY, AND PORT SECURITY ACT OF 2006**

L&L Committee Recommendation: **SUPPORT**

This measure authorizes the state to sell about \$20 billion of general obligation bonds to fund transportation projects to relieve congestion, improve the movement of goods, improve air quality, and enhance the safety and security of the transportation system.

Local Impacts: Passage of this measure is estimated to provide approximately \$14.5 million in transportation funding to the City of Sacramento.

### **PROPOSITION 1C - HOUSING AND EMERGENCY SHELTER TRUST FUND ACT OF 2006**

L&L Committee Recommendation: **SUPPORT**

This measure authorizes the state to sell \$2.85 billion of general obligation bonds to fund 13 new and existing housing and development programs as summarized below:

- Development Programs (\$1.35 Billion)
- Homeownership Programs (\$625 Million)
- Multifamily Housing Programs (\$590 Million)
- Homeless Shelters/Farmworker Housing (\$285 Million)

Local Impacts: \$300 million of the Development Programs identified above will be allocated to developers and local governments to encourage development near public transportation. Staff believes the City's planned Sacramento Intermodal Transportation Facility would be a very competitive project for a portion of these funds.

### **PROPOSITION 1D - KINDERGARTEN-UNIVERSITY PUBLIC EDUCATION FACILITIES BOND ACT OF 2006**

L&L Committee Recommendation: **SUPPORT**

This measure allows the state to sell \$10.4 billion of general obligation bonds for K-12 school facilities (\$7.3 billion) and higher education facilities (\$3.1 billion). Proceeds will be used for school modernization, new facilities and other school facilities projects.

Local Impacts: \$29 million of this measure would be allocated to joint-use projects including gymnasiums, libraries, child care facilities and teacher preparation facilities that are located at a school but used for joint school/community or K-12 higher education purposes.

**PROPOSITION 1E - DISASTER PREPAREDNESS AND FLOOD PREVENTION  
BOND ACT OF 2006**

L&L Committee Recommendation: **SUPPORT**

This measure authorizes the state to sell about \$4.1 billion in general obligation bonds for various flood management programs including:

- State Central Valley Flood Control System and Delta Levees (\$3 Billion)
- Flood Control Subventions (\$500 Million)
- Stormwater Flood Management (\$300 Million)
- Statewide Flood Protection Corridors and Bypasses (\$290 Million)

Local Impacts: Passage of this measure would result in significant state obligation to shore up levees in the Sacramento Valley and beyond.

**PROPOSITION 83 - SEX OFFENDERS. SEXUALLY VIOLENT PREDATORS.  
PUNISHMENT, RESIDENCE RESTRICTIONS AND MONITORING. INITIATIVE  
STATUTE.**

L&L Committee Recommendation: **SUPPORT**

This proposal would increase penalties for violent and habitual sex offenders, require Global Position System (GPS) devices for registered sex offenders, limit where registered sex offenders may live, and generally make more sex offenders eligible for commitment as sexually violent predators.

Local Impacts: The measure bars any person required to register as a sex offender from living within 2,000 feet of any school or park. The measure also authorizes local governments to further expand these residency restrictions. The City's Police Department recommends a support position.

**PROPOSITION 84 - WATER QUALITY, SAFETY AND SUPPLY. FLOOD CONTROL.  
NATURAL RESOURCE PROTECTION. PARK IMPROVEMENTS. BONDS.  
INITIATIVE STATUTE.**

L&L Committee Recommendation: **SUPPORT**

This initiative allows the state to sell \$5.4 billion in general obligation bonds for safe drinking water, water quality, and water supply; flood control; natural resource protection; and park improvements.

Local Impacts: Passage of this measure will enable the City to compete for funding to facilitate the development of the City's Docks Area project and integrated water resource planning.

**PROPOSITION 85 - WAITING PERIOD AND PARENTAL NOTIFICATION BEFORE TERMINATION OF MINOR'S PREGNANCY. INITIATIVE CONSTITUTIONAL AMENDMENT.**

L&L Committee Recommendation: **OPPOSE**

This proposition amends the California Constitution to require, with certain exceptions, a physician (or his or her representative) to notify the parent or legal guardian of a pregnant minor at least 48 hours before performing an abortion involving that minor. (This measure does not require a physician or a minor to obtain the consent of a parent or guardian.) This measure applies only to cases involving an "unemancipated" minor. The proposition identifies an unemancipated minor as being a female under the age of 18 who has not entered into a valid marriage, is not on active duty in the armed services of the United States, and has not been declared free from her parents' or guardians' custody and control under state law.

Local Impacts: N/A

**PROPOSITION 86 - TAX ON CIGARETTES. INITIATIVE CONSTITUTIONAL AMENDMENT AND STATUTE.**

L&L Committee Recommendation: **SUPPORT**

This measure imposes an additional 13 cent tax on each cigarette distributed (\$2.60 per pack) and indirectly on other tobacco products to provide funding for hospitals for emergency services as well as programs to increase access to health insurance for children, expand nursing education, support various new and existing health and education activities, curb tobacco use and regulate tobacco sales.

Local Impacts: Passage of this measure would allow children now receiving health coverage in the local Children's Health Initiative ("Cover the Kids"), a program administered by the City, to instead be enrolled in an expanded Healthy Families Program that would provide medical coverage to additional low- and middle-income children ages 0-18 in Sacramento County. These changes would likely result in unknown, but potentially significant savings on a statewide basis to local governments. Additionally, the Legislative Analyst notes that the measure would achieve "Unknown, but potentially significant savings in state and local government public health care costs over time due to expected reduction in consumption of tobacco products and... other factors."

**PROPOSITION 87 - ALTERNATIVE ENERGY. RESEARCH, PRODUCTION, INCENTIVES. TAX ON CALIFORNIA OIL.**

L&L Committee recommendation: **SUPPORT**

Establishes \$4 billion program to reduce oil and gasoline usage by 25%, with research and production incentives for alternative energy, alternative energy vehicles, energy

efficient technologies, and for education and training. Funded by a "severance tax" of 1.5% to 6%, depending on oil price per barrel, on producers of oil extracted in California. The term "severance tax" is commonly used to describe a tax on the production of any mineral or product taken from the ground, including oil.

Local Impacts: The measure provides that 57.5% of the revenues be allocated to a Gasoline and Diesel Use Reduction Account that would provide grants and subsidies for the purchase of alternative fuel vehicles, in addition to other incentives for producers to supply alternative fuels and various research activities to alternative fuels and vehicles. The measure is also consistent with the City's state and federal sustainability platform to support programs that address energy and fuel efficiency. The City's General Services Department recommends a support position on this measure.

**PROPOSITION 88 - EDUCATION FUNDING. REAL PROPERTY PARCEL TAX. INITIATIVE CONSTITUTIONAL AMENDMENT AND STATUTE.**

L&L Committee Recommendation: **NO POSITION**

This measure creates a statewide \$50 parcel tax effective July 1, 2007 and uses the resulting revenue to fund specific K-12 education programs including class size reduction, textbooks and school safety. The measure exempts certain elderly and disabled homeowners.

Local Impacts: N/A

**PROPOSITION 89 - POLITICAL CAMPAIGNS. PUBLIC FINANCING. CORPORATE TAX INCREASE. CONTRIBUTION AND EXPENDITURE LIMITS. INITIATIVE STATUTE.**

L&L Committee Recommendation: **NO POSITION**

Provides that candidates for state elective office meeting certain eligibility requirements, including collection of a specified number of \$5.00 contributions from voters, may voluntarily receive public campaign funding from the Fair Political Practices Commission, in amounts varying by elective office and type of election. Increases income tax rate on corporations and financial institutions by 0.2 percent to fund program. Imposes new limits on campaign contributions to state-office candidates and campaign committees, and new restrictions on contributions and expenditures by lobbyists and corporations.

Local Impacts: N/A

**PROPOSITION 90 - GOVERNMENT ACQUISITION, REGULATION OF PRIVATE PROPERTY. INITIATIVE CONSTITUTIONAL AMENDMENT.**

L&L Committee Recommendation: **OPPOSE**

The measure narrows the definition of public use in a way that generally would prevent government from taking a property:

- As part of a plan to change the type of businesses in an area or increase tax revenues
- To transfer it to private use

- To address a public nuisance, unless the public nuisance existed on that particular property

Redefines "just compensation." Under the new definition, property taken for a proprietary government purpose would be valued not at the current standard of "fair market value," but at the increased value of the property as the government intends to use it. Requires government to pay property owners if it or action by voters results in certain new laws or rules that result in substantial economic losses to their property such as downzoning property, limitations on use of private air space, and eliminating any access to private property. Changes requirements for property valuation.

Local Impacts: Unknown, but potentially significant major future costs to local governments to pay compensable damages and/or modify regulatory or other policies to conform to the measure's provisions such as changing zoning heights. Unknown, potentially major changes in governmental costs to acquire property for public purposes.

**RESOLUTION NO.**

Adopted by the Sacramento City Council

**SUPPORTING PROPOSITIONS 1A, 1B, 1C, 1D, 1E, 83, 84, 86, 87 AND  
OPPOSING PROPOSITIONS 85 AND 90 ON THE NOVEMBER 7, 2006 GENERAL  
ELECTION BALLOT**

**BACKGROUND**

- A. The State of California will hold a General Election Ballot on November 7, 2006.
- B. Thirteen Propositions will be considered by California voters on November 7, 2006.
- C. The City of Sacramento Law and Legislation Committee reviewed the Propositions on October 3, 2006.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL  
RESOLVES AS FOLLOWS:**

- Section 1. The City Council supports Propositions 1A, 1B, 1C, 1D, 1E, 83, 84, 86 and 87 on the November 7, 2006 general election ballot.
- Section 2. The City Council opposes Propositions 85 and 90 on the November 7, 2006 general election ballot.

**November 7, 2006 General Election  
Initiative Supporters and Opponents (Partial List)**

| <b>Proposition</b> | <b>Notable Supporters</b>   | <b>Notable Opponents</b>  |
|--------------------|---|---|
| 1A                 | Arnold Schwarzenegger, Governor<br>Phil Angelides, Treasurer<br>Dianne Feinstein, U.S. Senator<br>Barbara Boxer, U.S. Senator<br>California Chamber of Commerce<br>California Democratic Party  | Jackie Goldberg, Assemblymember   |
| 1B                 | Same as Prop 1A   | Michael N. Villines, Assemblymember   |
| 1C                 | Same as Prop 1A   | Chuck DeVore, Assemblymember<br>California Taxpayers Association<br>California Republican Party<br>Dave Cox, Senator  |
| 1D                 | Same as Prop 1A   | Thomas N. Hudson, Exec. Dir., Calif. Taxpayer Protection Committee<br>William Saracino, Member, Editorial Board, Calif. Political Review  |
| 1E                 | Same as Prop 1A   | Thomas N. Hudson, Exec. Dir., Calif. Taxpayer Protection Committee  |
| 83                 | Arnold Schwarzenegger, Governor<br>George Runner, Senator<br>Sharon Runner, Assemblymember<br>Association of Deputy District Attorneys<br>California Police Chiefs Association<br>California Farm Bureau  | Carleen Arlidge, President, California Attorneys for Criminal Justice   |
| 84                 | Association of California Water Agencies<br>Sacramento Regional Water Authority<br>California State Parks Foundation<br>Sacramento Valley Conservancy<br>California Chamber of Commerce<br>Arnold Schwarzenegger, Governor<br>Phil Angelides, Treasurer | Bill Leonard, Member, State Board of Equalization<br>Ron Nehring, Senior Consultant, Americans for Tax Reform<br>Lewis K. Uhler, President, National Tax Limitation Committee   |
| 85                 | William P. Clark, Calif. Supreme Court Justice (ret.)<br>Mary L. Davenport, M.D., Fellow, American College of Obstetricians & Gynecologists<br><br>Prof. Joseph R. Zanga, M.D., FAAP, Past President, American Academy of Pediatrics                    | Planned Parenthood<br><br>Sacramento County Board of Education<br><br>Barbara Boxer, U.S. Senator<br>Steve Westly, Controller<br>Phil Angelides, Treasurer  |
| 86                 | American Cancer Society<br>American Lung Association<br>American Heart Association<br>Phil Angelides, Treasurer   | California Chamber of Commerce<br>California State Firefighters Association<br>California Taxpayers Association<br>Tom McClintock, Senator  |
| 87                 | Dianne Feinstein, U.S. Senator<br>California Democratic Party<br>American Lung Association<br>Sierra Club, California   | California Taxpayers Association<br>Howard Jarvis Taxpayers Association<br>California Chamber of Commerce   |
| 88                 | Jack O'Connell, Calif. State Supt. of Public Instruction<br>Reed Hastings, Past President, Calif. State Board of Education  | Arnold Schwarzenegger, Governor<br><br>California Democratic Party<br><br>California Republican Party   |
| 89                 | California Common Cause<br>California Nurses Association<br>California Clean Money Campaign<br>Barbara Boxer, U.S. Senator<br>Phil Angelides, Treasurer   | California Teachers Association<br>California Chamber of Commerce<br>California Taxpayers Association   |
| 90                 | Tom McClintock, Senator<br>California Republican Party  | California Teachers Association<br>California Police Chiefs Association<br>California Fire Chiefs Association<br>California Labor Federation, AFL-CIO<br>California Chamber of Commerce<br>California Taxpayers Association |