

**Introduced by Senator Wolk**  
**(Coauthor: Senator Leno)**  
(Coauthor: Assembly Member Williams)

December 3, 2012

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Senate Constitutional Amendment No. 7—A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by amending Section 1 and 4 of, and by adding Section 4.5 to, Article XIII A thereof, by amending Section 2 of Article XIII C thereof, by amending Section 3 of Article XIII D thereof, and by amending Section 18 of Article XVI thereof, relating to public libraries.

LEGISLATIVE COUNSEL'S DIGEST

SCA 7, as introduced, Wolk. Local government financing: public libraries: voter approval.

(1) 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.

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.

(2) The California Constitution conditions the imposition of a special tax by a city, county, or special district upon the approval of  $\frac{2}{3}$  of the voters of the city, county, or special district voting on that tax, and prohibits these entities from imposing an ad valorem tax on real property or a transactions or sales tax on the sale of real property.

This measure would authorize the imposition, extension, or increase of a special tax by a city, county, city and county, or special district for

the purpose of funding public libraries, upon the approval of 55% of its voters voting on the proposition, and would also make conforming changes to related provisions.

(3) 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  $\frac{2}{3}$  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.

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:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

1     *Resolved by the Senate, the Assembly concurring,* That the  
2     Legislature of the State of California at its 2013–14 Regular  
3     Session commencing on the third day of December 2012,  
4     two-thirds of the membership of each house concurring, hereby  
5     proposes to the people of the State of California, that the  
6     Constitution of the State be amended as follows:

7     First—That Section 1 of Article XIII A thereof is amended to  
8     read:

9     SECTION 1. (a) The maximum amount of any ad valorem  
10    tax on real property shall not exceed ~~One 1 percent (1%)~~ of the  
11    full cash value of ~~such~~ that property. The ~~one 1 percent (1%)~~ tax  
12    ~~to~~ shall be collected by the counties and apportioned according to  
13    law to the districts within the counties.

14    (b) The limitation provided for in subdivision (a) shall not apply  
15    to ad valorem taxes or special assessments to pay the interest and  
16    redemption charges on any of the following:

17    (1) Indebtedness approved by the voters prior to July 1, 1978.

1 (2) Bonded indebtedness for the acquisition or improvement of  
2 real property approved on or after July 1, 1978, by two-thirds of  
3 the votes cast by the voters voting on the proposition.

4 (3) Bonded indebtedness incurred by a school district,  
5 community college district, or county office of education ~~for to~~  
6 ~~fund~~ the construction, reconstruction, rehabilitation, or replacement  
7 of school facilities, including the furnishing and equipping of  
8 school facilities, or the acquisition or lease of real property for  
9 school facilities, approved by 55 percent of the voters of the district  
10 or county, as appropriate, voting on the proposition on or after ~~the~~  
11 ~~effective date of the measure adding this paragraph~~ *November 8,*  
12 *2000.* This paragraph shall apply only if the proposition approved  
13 by the voters and resulting in the bonded indebtedness includes  
14 all of the following accountability requirements:

15 (A) A requirement that the proceeds from the sale of the bonds  
16 be used only for the purposes specified in ~~Article XIII A, Section~~  
17 ~~1(b)(3), this paragraph~~ and not for any other purpose, including  
18 teacher and administrator salaries and other school operating  
19 expenses.

20 (B) A list of the specific school facilities projects to be funded  
21 and certification that the school district board, community college  
22 board, or county office of education has evaluated safety, class  
23 size reduction, and information technology needs in developing  
24 that list.

25 (C) A requirement that the school district board, community  
26 college board, or county office of education conduct an annual,  
27 independent performance audit to ensure that the funds have been  
28 expended only on the specific projects listed.

29 (D) A requirement that the school district board, community  
30 college board, or county office of education conduct an annual,  
31 independent financial audit of the proceeds from the sale of the  
32 bonds until all of those proceeds have been expended for the school  
33 facilities projects.

34 (4) *Bonded indebtedness, approved by 55 percent of the voters*  
35 *of a city, county, city and county, or special district, as applicable,*  
36 *voting on the proposition on or after the effective date of the*  
37 *measure adding this paragraph, incurred by the city, county, city*  
38 *and county, or special district to fund the construction,*  
39 *reconstruction, rehabilitation, or replacement of public library*  
40 *facilities, including the furnishing and equipping of public library*

1 *facilities, or the acquisition or lease of real property for public*  
 2 *library facilities.*

3 (c) Notwithstanding any other provisions of law or of this  
 4 Constitution, ~~a school districts, community college districts, and~~  
 5 ~~county offices of education district, community college district,~~  
 6 *county office of education, city, county, city and county, or special*  
 7 *district* may levy a 55 percent vote ad valorem tax pursuant to  
 8 subdivision (b).

9 Second—That Section 4 of Article XIII A thereof is amended  
 10 to read:

11 SEC. 4. ~~Cities, Counties and special districts,~~ *Except as*  
 12 *provided by Section 4.5, a city, county, or special district, by a*  
 13 *two-thirds vote of the qualified electors of such district its voters*  
 14 *voting on the proposition, may impose special taxes on such district*  
 15 *a special tax within that city, county, or special district, except an*  
 16 *ad valorem taxes tax on real property or a transaction transactions*  
 17 *tax or sales tax on the sale of real property within such City, County*  
 18 *that city, county, or special district.*

19 Third—That Section 4.5 is added to Article XIII A thereof, to  
 20 read:

21 SEC. 4.5. The imposition, extension, or increase of a special  
 22 tax by a city, county, city and county, or special district, as may  
 23 otherwise be authorized by law for the purpose of funding public  
 24 libraries, is subject to approval by 55 percent of the voters in the  
 25 city, county, city and county, or special district, as applicable,  
 26 voting on the proposition.

27 Fourth—That Section 2 of Article XIII C thereof is amended to  
 28 read:

29 SEC. 2. ~~Local Government Tax Limitation.~~ Notwithstanding  
 30 any other provision of this Constitution:

31 (a) ~~All taxes~~ *Any tax* imposed by any local government ~~shall be~~  
 32 ~~deemed to be~~ *is* either a general ~~taxes tax~~ or a special ~~taxes tax~~.  
 33 ~~Special purpose districts~~ *A special district* or ~~agencies~~ *agency,*  
 34 including ~~a school districts,~~ *shall have district, has no power*  
 35 *authority* to levy a general ~~taxes tax~~.

36 (b) ~~No~~ A local government may *not* impose, extend, or increase  
 37 any general tax unless and until that tax is submitted to the  
 38 electorate and approved by a majority vote. A general tax ~~shall is~~  
 39 ~~not be~~ deemed to have been increased if it is imposed at a rate not  
 40 higher than the maximum rate so approved. The election required

1 by this subdivision shall be consolidated with a regularly scheduled  
2 general election for members of the governing body of the local  
3 government, except in cases of emergency declared by a unanimous  
4 vote of the governing body.

5 (c) Any general tax imposed, extended, or increased, without  
6 voter approval, by any local government on or after January 1,  
7 1995, and prior to the effective date of this article, ~~shall~~ *may*  
8 continue to be imposed only if *that general tax is* approved by a  
9 majority vote of the voters voting in an election on the issue of the  
10 imposition, which election shall be held ~~within two years of the~~  
11 ~~effective date of this article~~ *no later than November 6, 1996*, and  
12 in compliance with subdivision (b).

13 (d) ~~No~~ *Except as provided by Section 4.5 of Article XIII A*, a  
14 local government may *not* impose, extend, or increase any special  
15 tax unless and until that tax is submitted to the electorate and  
16 approved by a two-thirds vote. A special tax ~~shall~~ *is not* be deemed  
17 to have been increased if it is imposed at a rate not higher than the  
18 maximum rate so approved.

19 Fifth—That Section 3 of Article XIII D thereof is amended to  
20 read:

21 ~~SEC. 3. Property Taxes, Assessments, Fees and Charges~~  
22 ~~Limited.~~ (a) ~~No~~ *An agency shall not assess a tax, assessment, fee,*  
23 *or charge shall be assessed by any agency* upon any parcel of  
24 property or upon any person as an incident of property ownership  
25 except:

26 (1) The ad valorem property tax imposed pursuant to Article  
27 XIII and Article XIII A.

28 (2) Any special tax receiving a two-thirds vote pursuant to  
29 Section 4 of Article XIII A *or, as applicable, a 55-percent vote*  
30 *pursuant to Section 4.5 of Article XIII A.*

31 (3) Assessments as provided by this article.

32 (4) Fees or charges for property related services as provided by  
33 this article.

34 (b) For purposes of this article, fees for the provision of electrical  
35 or gas service ~~shall~~ *are not* be deemed charges or fees imposed as  
36 an incident of property ownership.

37 Sixth—That Section 18 of Article XVI thereof is amended to  
38 read:

39 SEC. 18. (a) No county, city, town, township, board of  
40 education, or school district, shall incur any indebtedness or

1 liability in any manner or for any purpose exceeding in any year  
2 the income and revenue provided for ~~such~~ *that* year, without the  
3 assent of two-thirds of the voters of the public entity voting at an  
4 election to be held for that purpose, except that with respect to any  
5 such public entity ~~which~~ *that* is authorized to incur indebtedness  
6 for public school purposes, any proposition for the incurrence of  
7 indebtedness in the form of general obligation bonds for the  
8 purpose of repairing, reconstructing, or replacing public school  
9 buildings determined, in the manner prescribed by law, to be  
10 structurally unsafe for school use, shall be adopted upon the  
11 approval of a majority of the voters of the public entity voting on  
12 the proposition at ~~such~~ *that* election; nor unless before or at the  
13 time of incurring ~~such indebtedness~~ *the indebtedness*, provision  
14 shall be made for the collection of an annual tax sufficient to pay  
15 the interest on ~~such~~ *the* indebtedness as it falls due, and to provide  
16 for a sinking fund for the payment of the principal thereof, on or  
17 before maturity, which shall not exceed forty years from the time  
18 of contracting the indebtedness.

19 (b) Notwithstanding subdivision (a), on or after ~~the effective~~  
20 ~~date of the measure adding this subdivision~~, *November 8, 2000*,  
21 in the case of any school district, community college district, or  
22 county office of education, any proposition for the incurrence of  
23 indebtedness in the form of general obligation bonds for the  
24 construction, reconstruction, rehabilitation, or replacement of  
25 school facilities, including the furnishing and equipping of school  
26 facilities, or the acquisition or lease of real property for school  
27 facilities, shall be adopted upon the approval of 55 percent of the  
28 voters of the district or county, as appropriate, voting on the  
29 proposition at an election. This subdivision shall apply only to a  
30 proposition for the incurrence of indebtedness in the form of  
31 general obligation bonds for the purposes specified in this  
32 subdivision if the proposition meets all of the accountability  
33 requirements of paragraph (3) of subdivision (b) of Section 1 of  
34 Article XIII A.

35 (c) *Notwithstanding subdivision (a), on or after the effective*  
36 *date of the measure adding this subdivision, in the case of any city,*  
37 *county, or city and county, any proposition to incur indebtedness*  
38 *in the form of general obligation bonds shall be adopted by 55*  
39 *percent of the voters of the city, county, or city and county, as*  
40 *applicable, voting on the proposition at an election, where the*

1 *general obligation bonds would fund public libraries, including,*  
2 *but not limited to, the construction, reconstruction, rehabilitation,*  
3 *or replacement of public library facilities, the furnishing and*  
4 *equipping of public library facilities, or the acquisition or lease*  
5 *of real property for public library facilities.*

6 ~~(e)~~

7 (d) When two or more propositions for incurring any  
8 indebtedness or liability are submitted at the same election, the  
9 votes cast for and against each proposition shall be counted  
10 separately, and when two-thirds or a majority or 55 percent of the  
11 voters, as the case may be, voting on any one of those propositions,  
12 vote in favor thereof, the proposition shall be deemed adopted.

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