

AMENDED IN ASSEMBLY AUGUST 7, 2000

AMENDED IN ASSEMBLY JUNE 20, 2000

AMENDED IN SENATE JANUARY 4, 2000

AMENDED IN SENATE APRIL 27, 1999

AMENDED IN SENATE APRIL 13, 1999

**SENATE BILL**

**No. 165**

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**Introduced by Senator Alarcon**

*(Principal coauthor: Assembly Member Villaraigosa)*

**(Coauthor: Senator Murray)**

*(Coauthors: Assembly Members Kuehl, McClintock, Scott, Villaraigosa, and Wildman)*

January 11, 1999

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An act to add Sections 50075.1, 50075.3, and 50075.5 to, and to add Article 1.5 (commencing with Section 53410) to Chapter 3 of Part 1 of Division 2 of Title 5 of, the Government Code, relating to local agency finance.

LEGISLATIVE COUNSEL'S DIGEST

SB 165, as amended, ~~Rainey~~ *Alarcon*. Local government finance: special taxes.

Existing law specifies a procedure for the legislative body of a city, county, or district to propose to the voters an ordinance or resolution to adopt a special tax pursuant to constitutional requirements.

This bill would enact the Local Agency Special Tax and Bond Accountability Act, which would require that any local

special tax measure subject to voter approval contain a statement indicating the specific single purpose of the special tax, require that the proceeds of the special tax be applied to that purpose, require the creation of ~~a trust fund~~ *an account* into which the proceeds shall be deposited, and require an annual report containing specified information concerning the use of the proceeds. The bill would impose similar accountability requirements with respect to any local bond measure that is subject to voter approval that would provide for the sale of bonds by a local agency.

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

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

1 SECTION 1. (a) This act shall be known and may be  
2 cited as the Local Agency Special Tax and Bond  
3 Accountability Act.

4 (b) The Legislature finds and declares that the  
5 California Constitution requires the voters of local  
6 agencies to approve the levy of special taxes and many  
7 forms of bonded indebtedness. These special taxes and  
8 bonds can be important sources of funding for local  
9 agencies' public facilities and public services. Earning the  
10 voters' confidence to support special taxes and bonds  
11 requires local agencies to demonstrate to the voters that  
12 they spend these funds on the intended facilities and  
13 services.

14 (c) The Legislature further finds and declares that the  
15 procedures for local agencies to obtain voter approval of  
16 special taxes and bonded indebtedness affect the general  
17 welfare of all Californians. Accordingly, the Legislature  
18 finds and declares that the procedures created by this act  
19 constitute an issue of statewide concern and not merely  
20 a municipal affair. Therefore, the Legislature intends that  
21 the procedures created by this act shall apply to all local  
22 agencies, including charter cities.

23 SEC. 2. Section 50075.1 is added to the Government  
24 Code, to read:



1 50075.1. On or after January 1, 2001, any local special  
2 tax measure that is subject to voter approval that would  
3 provide for the imposition of a special tax by a local  
4 agency shall provide accountability measures that  
5 include, but are not limited to, all of the following:

6 (a) A statement indicating the specific single purpose  
7 of the special tax.

8 (b) A requirement that the proceeds be applied only  
9 to the specific purpose identified pursuant to subdivision

10 (a).

11 (c) The creation of a ~~trust fund~~ *an account* into which  
12 the proceeds shall be deposited.

13 (d) An annual report pursuant to Section 50075.3.

14 SEC. 3. Section 50075.3 is added to the Government  
15 Code, to read:

16 50075.3. The chief fiscal officer of the levying local  
17 agency shall file ~~an annual~~ *a* report with its governing  
18 body ~~within three months of the end of the local agency's~~  
19 ~~fiscal year~~ *no later than January 1, 2002, and at least once*  
20 *a year thereafter.* The annual report shall contain both of  
21 the following:

22 (a) The amount of funds collected and expended.

23 (b) The status of any project required or authorized to  
24 be funded as identified in subdivision (a) of Section  
25 50075.1.

26 SEC. 4. Section 50075.5 is added to the Government  
27 Code, to read:

28 50075.5. As used in this article:

29 (a) "Local agency" means any county, city, city and  
30 county, including a charter city or county, or any special  
31 district.

32 (b) "Special district" means an agency of the state,  
33 formed pursuant to general law or a special act, for the  
34 performance of governmental or proprietary functions,  
35 with limited geographic boundaries, including, but not  
36 limited to, a school district and a community college  
37 district.

38 (c) "Special tax" means any tax imposed for specific  
39 purposes.



1 SEC. 5. Article 1.5 (commencing with Section 53410)  
 2 is added to Chapter 3 of Part 1 of Division 2 of Title 5 of  
 3 the Government Code, to read:

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Article 1.5. Bond Accountability

7 53410. On or after January 1, 2001, any local bond  
 8 measure that is subject to voter approval that would  
 9 provide for the sale of bonds by a local agency shall  
 10 provide accountability measures that include, but are not  
 11 limited to, all of the following:

- 12 (a) A statement indicating the specific single purpose  
 13 of the bond.
- 14 (b) A requirement that the proceeds be applied only  
 15 to the specific purpose identified pursuant to subdivision  
 16 (a).

17 (c) The creation of ~~a trust fund~~ *an account* into which  
 18 the proceeds shall be deposited.

19 (d) An annual report pursuant to Section 53411.

20 53411. The chief fiscal officer of the issuing local  
 21 agency shall file ~~an annual~~ *a* report with its governing  
 22 body ~~within three months of the end of the local agency's~~  
 23 ~~fiscal year~~ *no later than January 1, 2002, and at least once*  
 24 *a year thereafter.* The annual report shall contain all of  
 25 the following:

- 26 (a) The amount of funds collected and expended.
- 27 (b) The status of any project required or authorized to  
 28 be funded as identified in subdivision (a) of Section 53410.

29 53412. As used in this article:

- 30 (a) "Local agency" means any county, city, city and  
 31 county, including a charter city or county, or any special  
 32 district.
- 33 (b) "Special district" means an agency of the state,  
 34 formed pursuant to general law or a special act, for the  
 35 performance of governmental or proprietary functions,  
 36 with limited geographic boundaries, including, but not  
 37 limited to, a school district and a community college  
 38 district.

39 (c) "Bond" means any bonded indebtedness  
 40 regardless of state law or charter that requires voter



1 approval, including, but not limited to, general obligation  
2 bonds, revenue bonds, and bonds issued pursuant to the  
3 Mello-Roos Community Facilities Act (Chapter 2.5  
4 (commencing with Section 53311)).

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