

Senate Bill No. 165

CHAPTER 535

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.

[Approved by Governor September 18, 2000. Filed
with Secretary of State September 19, 2000.]

LEGISLATIVE COUNSEL'S DIGEST

SB 165, 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 purposes of the special tax, require that the proceeds of the special tax be applied to those purposes, require the creation of 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.

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

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

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

(c) The Legislature further finds and declares that the procedures for local agencies to obtain voter approval of special taxes and bonded indebtedness affect the general welfare of all Californians. Accordingly, the Legislature finds and declares that the procedures created by this act constitute an issue of statewide concern and not

merely a municipal affair. Therefore, the Legislature intends that the procedures created by this act shall apply to all local agencies, including charter cities.

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

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

- (a) A statement indicating the specific purposes of the special tax.
- (b) A requirement that the proceeds be applied only to the specific purposes identified pursuant to subdivision (a).
- (c) The creation of an account into which the proceeds shall be deposited.
- (d) An annual report pursuant to Section 50075.3.

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

50075.3. The chief fiscal officer of the levying local agency shall file a report with its governing body no later than January 1, 2002, and at least once a year thereafter. The annual report shall contain both of the following:

- (a) The amount of funds collected and expended.
- (b) The status of any project required or authorized to be funded as identified in subdivision (a) of Section 50075.1.

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

50075.5. As used in this article:

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

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

Article 1.5. Bond Accountability

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

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



(c) The creation of an account into which the proceeds shall be deposited.

(d) An annual report pursuant to Section 53411.

53411. The chief fiscal officer of the issuing local agency shall file a report with its governing body no later than January 1, 2002, and at least once a year thereafter. The annual report shall contain all of the following:

(a) The amount of funds collected and expended.

(b) The status of any project required or authorized to be funded as identified in subdivision (a) of Section 53410.

53412. As used in this article:

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

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

(c) "Bond" means any bonded indebtedness regardless of state law or charter that requires voter approval, including, but not limited to, general obligation bonds, revenue bonds, and bonds issued pursuant to the Mello-Roos Community Facilities Act (Chapter 2.5 (commencing with Section 53311)).

