

RESOLUTION NO. 09-XX

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES
OPPOSING STATE BORROWING OF LOCAL PROPERTY TAX REVENUES**

WHEREAS, the Governor's office has informed local government representatives of a proposal under consideration to borrow local property tax revenues to address State budget deficits if voters do not approve Propositions 1A through 1E at the May 19, 2009 Statewide Special Election; and

WHEREAS, voters of California approved Proposition 1A in 2004 by an 84% margin, which sent a clear message to the Governor and State Legislature to stop taking local government funds to finance the State budget; and

WHEREAS, Proposition 1A prohibits the State Legislature from reducing the share of property tax revenues going to the cities, county and special districts, but allows borrowing of not more than 8% of the total amount of ad-valorem property tax revenues for a three year period; and

WHEREAS, the State Department of Finance has estimated this amount to equal \$2.006 billion; and

WHEREAS, it would be irresponsible to "borrow" such funds because it would not resolve the State's structural deficit and would negatively impact local government and transportation services; and

WHEREAS, as a result of the current economic recession the City of Paso Robles has already adjusted its operations to eliminate nearly \$5,000,000 per year and is developing strategies to address additional projected budget shortfalls of \$10,000,000 over the next four years, that significantly impact the provision public safety, infrastructure maintenance and other critical services to the community; and

WHEREAS, any diversion of local government tax revenues under the Proposition 1A loan provisions will negatively impact the ability of the City, as well as other local agencies throughout California, to fund Police, Fire and other critical services, and therefore will significantly impact the health, safety and welfare of our citizens.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Paso Robles hereby opposes any and all efforts by State government to "borrow" or seize local tax funds to finance State operations.

PASSED AND ADOPTED by the City Council of the City of El Paso de Robles this 19th day of May, 2009 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Mayor Duane Picanco

Cathy David, Deputy City Clerk