

MAILING LIST FOR RESOLUTION NO. 96-14

The Honorable Jack O'Connell

The Honorable Tom Bordonaro

County Board of Supervisors

City of Arroyo Grande

City of Atascadero

City of Grover Beach

City of Morro Bay

City of Pismo Beach

City of San Luis Obispo

RESOLUTION NO. 96-14

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES
SUPPORTING INTRODUCTION AND ADOPTION OF A VALIDATING ACT IN
RESPONSE TO THE STATE SUPREME COURT DECISION IN SANTA CLARA
COUNTY LOCAL TRANSPORTATION AUTHORITY V. GUARDINO**

WHEREAS, the State Supreme Court recently issued a decision in the case of Santa Clara County Local Transportation Authority v. Carl Guardino, the effect of which decision is to require voter approval for the imposition or increase of a general tax as set forth in Proposition 62 (Government Code Section 53273); and

WHEREAS, the Guardino decision reverses prior Court decisions that previously found the voter-approval requirements of Proposition 62 were unconstitutional; and

WHEREAS, in reliance on such prior Court decisions, the City Council of the City of El Paso de Robles in 1995 enacted an increase in the City's Transient Occupancy Tax and the elected boards of many other local governments in California increased or adopted general taxes without a public referendum; and

WHEREAS, if the collection of new taxes or tax increases adopted by elected boards, subsequent to the effective date of Proposition 62 and prior to the effective date of the Guardino decision, is prohibited and/or, if retroactive refund of tax collections is mandated, then the City of El Paso de Robles and a large number of other local governments will experience severe financial crises, necessitating major reductions in public safety and other vital public services, negating contractual commitments, and, quite possibly, leading to default on credit obligations or, at the very least, substantially reducing the credit-worthiness of local governments; and

WHEREAS, the fiscal year 1995/96 financial loss to the City of El Paso de Robles would be approximately \$175,000 if collection of the City's Transient Occupancy Tax increase were to cease and a one-time loss of approximately \$420,000 would occur if a retroactive refund of the City's Transient Occupancy Tax were mandated; and

WHEREAS, extensive costs, fiscal uncertainty, and a major threat to public services are certain to arise from retrospective application of the Guardino decision and from the confusion that will result if clear and timely policy direction is not forthcoming from the State in the aftermath of the announcement of the Guardino decision, thereby decimating services provided through the City General Fund.

NOW, THEREFORE, BE IT RESOLVED by the City of El Paso de Robles as follows:

1. State Senator Jack O'Connell and State Assembly Member Tom Bordonaro are urged actively to support the introduction and passage of a validating act requiring that the Guardino decision only be applied prospectively; and
2. Such validating act be introduced and adopted in February 1996 as soon as possible after Legislature returns to session; and
3. The City Clerk is directed to forward this resolution to Senator Jack O'Connell and Assembly Member Bordonaro at the earliest possible date after its adoption and to distribute copies hereof to the San Luis Obispo County Board of Supervisors and to the Mayors and City Council Members of the other six Cities in San Luis Obispo County urging their support for introduction and passage of a validating act by the State Legislature.

On motion of Council Member Iversen, seconded by Council Member Picanco, the foregoing Resolution is hereby passed and adopted at the regular meeting of the City Council held this 6th day of February, 1996, on the following roll call vote:

AYES:	Heggarty, Iversen, Martin, Picanco, and Macklin
NOES:	None
ABSENT:	None
ABSTAIN:	None



Walter J. Macklin, Mayor

ATTEST:



Richard J. Ramirez, City Manager/City Clerk



CITY OF EL PASO DE ROBLES

"The Pass of the Oaks"

MEMORANDUM

TO: STATE SENATOR JACK O'CONNELL
ASSEMBLYMAN TOM J. BORDONARO
SAN LUIS OBISPO COUNTY BOARD OF SUPERVISORS
CITY LEGISLATORS

FROM: CANDY ASCHLE, DEPUTY CITY CLERK

SUBJECT: RESOLUTION NO. 96-14 SUPPORTING A VALIDATING ACT
RESPONDING TO THE STATE SUPREME COURT DECISION
AFFECTING PROPOSITION 62

DATE: FEBRUARY 13, 1996

On February 6, 1996, the City Council of Paso Robles passed the attached resolution supporting introduction and adoption of a Validating Act in response to the State Supreme Court decision in Santa Clara County Local Transportation Authority v. Guardino.

A copy of said resolution is being forwarded to the Board of Supervisors as well as State and City Legislators, urging their support for introduction and passage of a Validating Act by the State Legislature.

If you have any questions, please call me at (805) 237-3888.

cc: Paso Robles City Council
Paso Robles City Manager/Clerk