

**RESOLUTION NO. 04-12**  
**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS**  
**SUPPORTING A STATEWIDE BALLOT INITIATIVE TO REQUIRE VOTER**  
**APPROVAL BEFORE STATE GOVERNMENT MAY TAKE LOCAL TAX FUNDS**

**WHEREAS**, state government annually seizes more than \$5.2 billion local property tax funds (ERAF) statewide, costing local governments more than \$40 billion in lost revenues over the past 12 years, including more than \$800 million annually for cities, or \$6.9 billion over the past 12 years, thereby seriously reducing resources available for local public safety and other services; and

**WHEREAS**, this drain of local resources has continued even during periods when the state's budget has been overflowing with surpluses as well as during difficult economic times; and

**WHEREAS**, the Governor's budget proposal for FY 2004-05 would increase the amount of the ERAF property tax shift by \$1.3 billion on a permanent basis, an increase of approximately 25 percent over the current ERAF shift; and

**WHEREAS**, the proposed FY 2004-05 budget would also, for the first time, permanently extend the ERAF shift to redevelopment agencies at an initial cost of \$135 million a year, undermining the ability of cities to leverage private investments in job-creating economic activities and resulting in approximately \$1.3 billion in lost bonding capacity, \$810 million to \$945 million in lost public and private investments, 12,000 to 16,000 lost jobs, primarily in construction, and related lost income taxes to the state of California; and

**WHEREAS**, the current state budget appropriates local vehicle license fee backfill and redevelopment property tax funds that are needed to finance critical city services such as public safety, parks, street maintenance, housing and economic development; and

**WHEREAS**, the adopted FY 2003-04 state budget assumes an ongoing structural budget deficit of at least \$8 billion, and the Legislative Analyst estimates that full implementation of the Governor's proposed budget for FY 2004-05, including passage by the voters of his \$15 billion deficit financing bond, would result in an ongoing structural deficit of \$7 billion, continuing to put city resources and services at risk in future years to additional state revenue raids; and

**WHEREAS**, it is abundantly clear that state leaders will continue to use local tax funds to balance the state budget unless the voters limit the power of the Legislature and Governor to do so; and

**WHEREAS**, the voters of California are the best judges of whether local tax funds should be diverted, confiscated, shifted or otherwise taken to finance an ever-expanding state government; and

**WHEREAS**, the General Assembly of Voting Delegates of the League of California Cities at its September 10, 2003, meeting voted to sponsor a statewide ballot initiative to empower the voters to limit the ability of state government to confiscate local tax funds to fund state government; and

**WHEREAS**, the League has requested that cities offer support for the Local Taxpayers and Public Safety Protection Act, a November 2004 ballot initiative, also known as the LOCAL initiative, that will allow voters to decide whether state government may appropriate local tax funds to fund state government operations and responsibilities.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOS ALTOS** that the City hereby expresses its strong support for the Local Taxpayers and Public Safety Protection Act, also known as the LOCAL initiative, a statewide ballot initiative to allow voters to decide whether local tax funds may be taken, confiscated, shifted, diverted or otherwise used to fund state government operations and responsibilities; and

**RESOLVED FURTHER**, that the City Council and staff are authorized to provide impartial informational materials on the initiative as may be lawfully provided by the city's representatives. No public funds shall be used to campaign for or against the initiative; and

**RESOLVED FURTHER**, that the residents of the City are encouraged to become well informed on the initiative and its possible impacts on the critical local services on which they rely.

**I HEREBY CERTIFY** that this resolution was duly introduced and adopted at the Regular Meeting of the Los Altos City Council on the 13th day of April 2004, by the following vote:

AYES: COLE, PACKARD, CASAS, LEAR, MOSS

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

  
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JOHN MOSS, MAYOR

  
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SUSAN KITCHENS, CITY CLERK