

Date: January 13, 2010  
Initiative 09-0071 (Amdt. #1-S.)

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

**CHANGES LAW TO PROHIBIT STATE IN FISCAL EMERGENCIES FROM USING LOCAL-GOVERNMENT AND TRANSPORTATION FUNDS FOR OTHER PURPOSES.**

**ALLOWS LOCAL SALES AND USE TAX INCREASES BY MAJORITY VOTE FOR COUNTYWIDE STRATEGIC PLANS. INITIATIVE CONSTITUTIONAL**

**AMENDMENT AND STATUTE.** Amends constitution to prohibit the State from borrowing or appropriating tax revenues allocated to local government entities, redevelopment agencies and transportation projects, even in times of fiscal hardship. Allows local government entities to submit local ballot measures increasing sales and use taxes up to one cent for approval by majority vote to implement countywide strategic plans. Requires 50% allocation of such taxes to schools. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Major increases—probably over \$1 billion—in annual city, county, and school revenues and spending, depending on local voter approval of future tax proposals. Significant constraints on state authority over city, county, special district, and redevelopment agency funds. As a result, higher and more stable local government resources, potentially affecting billions of dollars in some years. Commensurate reductions in state resources, resulting in major decreases in state spending and/or increases in state revenues.** (09-0071.)