

## ATTACHMENT C

**BILL:** PROPOSITION 53

**AUTHOR:** DEAN & JOAN CORTOPASSI

**SUBJECT:** CALIFORNIA PUBLIC VOTE ON BONDS INITIATIVE: PUBLIC AGENCY BOND ISSUANCES

**STATUS:** NOVEMBER 8, 2006 GENERAL ELECTION BALLOT

**ACTION:** OPPOSE

### **RECOMMENDATION**

Staff recommends that the Board of Directors adopt a OPPOSE position on Proposition 53.

### **ISSUE**

Proposition 53 would require a statewide vote on any bond issuance over \$2 billion by the State of California.

### **DISCUSSION**

The State of California is authorized to issue bonds for various purposes based on measures that have been approved by the voters in California. Once these bond measures are approved, the State implements a process mainly through the budget act and other mechanisms to actually implement the bonds authorized by the voters. Proposition 53 would require an additional vote anytime the specific bond measures are being implemented and that implementation process results in a sale of \$2 billion or more of the previously approved bond measures.

Local agencies such as Metro are specifically exempt from Proposition 53 so there is not direct impact to Metro's ability to issue bonds. However, Metro frequently partners with the State in the funding of major transportation improvement projects and those projects may rely on the ability of the State to sell bonds as authorized by the voters. Most recently, Metro partnered with Caltrans to successfully implement projects funded by Proposition 1B which was passed by the voters in 2006. These projects include improvements to Interstate 5 in both the San Fernando Valley and the Gateway Cities areas as well as goods movement projects throughout the region.

Proposition 53 would jeopardize the state's ability to issue bonds and creates significant uncertainty with the ability of the state to sell bonds and thus implement key infrastructure projects.

## **DETERMINATION OF SAFETY IMPACT**

There is no determined safety impact due to the enactment of the proposed legislation.

## **FINANCIAL IMPACT**

There could be potential financial impacts related to Metro's ability to fund major infrastructure projects in Los Angeles County.

## **ALTERNATIVES CONSIDERED**

Staff has considered adopting either a neutral position on the bill. A neutral position would be inappropriate due to the significant impact Proposition 53 would have on major infrastructure projects.

## **NEXT STEPS**

Should the Board decide to adopt an OPPOSE position on this bill, staff will communicate the Board's position on this measure in accordance with the laws governing the communication of government agencies on proposed statewide ballot measures.