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**AB-1194 Elections: local bond measures: tax rate statement.** (2017-2018)

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**Assembly Bill No. 1194**

**CHAPTER 795**

An act to amend Section 9401 of the Elections Code, relating to elections.

[ Approved by Governor October 14, 2017. Filed with Secretary of State October 14, 2017. ]

**LEGISLATIVE COUNSEL'S DIGEST**

AB 1194, Dababneh. Elections: local bond measures: tax rate statement.

Existing law requires local government agencies, when submitting for voter approval bond measures that will be secured by an ad valorem tax, to provide the voters, along with a sample ballot, a statement that includes estimates of tax rates and debt service in connection with the measure, including estimates of the tax rates required to fund the bond issue during the first fiscal year after the first sale of the bonds and the first fiscal year after the last sale of the bonds. This statement must be included in voter information guides for those bond measures, as specified.

This bill would require the statement to include an estimate of the average annual tax rate required to fund the proposed bond measure for the duration of its debt service, and to identify the final fiscal year in which the tax is anticipated to be collected. By expanding the scope of information that local government agencies must provide in the statement, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

**THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:**

**SECTION 1.** Section 9401 of the Elections Code is amended to read:

**9401.** (a) In connection with each bond issue specified in Section 9400, a statement shall be mailed to the voters with the sample ballot for the bond election. The statement required by this section shall be filed with the elections official conducting the election not later than the 88th day before the election, and shall include all of the following:

- (1) The best estimate from official sources of the average annual tax rate that would be required to be levied to fund that bond issue over the entire duration of the bond debt service, based on assessed valuations available at the time of the election or a

projection based on experience within the same jurisdiction or other demonstrable factors. The estimate shall also identify the final fiscal year in which the tax is anticipated to be collected.

(2) The best estimate from official sources of the highest tax rate that would be required to be levied to fund that bond issue, and an estimate of the year in which that rate will apply, based on assessed valuations available at the time of the election or a projection based on experience within the same jurisdiction or other demonstrable factors.

(3) The best estimate from official sources of the total debt service, including the principal and interest, that would be required to be repaid if all the bonds are issued and sold. The estimate may include information about the assumptions used to determine the estimate.

(b) In addition, the statement may contain a declaration of policy of the legislative or governing body of the applicable jurisdiction, proposing to use revenues other than ad valorem taxes to fund the bond issue, and the best estimate from official sources of these revenues and the reduction in the tax rate levied to fund the bond issue resulting from the substitution of revenue.

(c) The words "tax rate" as used in this chapter means tax rate per one hundred dollars (\$100) of assessed valuation on all property to be taxed to fund a bond issue described in Section 9400.

**SEC. 2.** If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.