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The Honorable Jerry Brown
Governor, State of California
State Capitol, First Floor
Sacramento, CA 95814

September 13, 2013

RE: **SB 7(Steinberg) Undermining Constitutional Exercise of Municipal Affairs
Request for Veto**

Dear Governor Brown,

The League of California Cities respectfully requests your veto of SB 7.

“Legislatorum est justas leges condere” and *“Senatoris est civitatis libertatem tueri”* are two Latin phrases inscribed above the Assembly and Senate chambers which express the ideals of the institution as both a duty to create “just laws” and protect the liberty of the commonwealth. SB 7 matches poorly against either of these ideals.

Using political leverage to punish those exercising rights provided by the Constitution is unjust. The Constitution is our state’s highest law with its provisions put in place by the voters. The courts have the responsibility to interpret laws and the Constitution. In the *Vista*¹ case, the California Supreme Court interpreted the 100-year old doctrine of municipal affairs and decided that charter cities retained control over use of their local funds when it comes to contracting for local public works projects. Rather than accepting the decision or addressing concerns with the law by proposing an amendment to the Constitution, the Legislature in SB 7 attempts to circumvent those options – despite the unwelcome implications, precedents and consequences— and force an outcome that undercuts the rights of affected charter cities exercising their lawful prerogatives under our Constitution.

We urge you to set aside the emotion fueling the aggressive approach of this measure and veto it for the following reasons:

- 1) To protect the integrity of our Constitution and the communities operating in lawful compliance with it. The Supreme Court decided this issue. That decision should be respected. If the sponsors want to change the law they should propose a constitutional amendment.

¹ *State Building and Construction Trades Council of California, AFL-CIO v. City of Vista* (2012) 54 Cal. 4th 547.

- 2) To avoid establishing a punitive financial tactic that the Legislature will, no doubt, use again and further erode the authority and control of local government while undercutting confidence in the reliability of state law, policy and programs.
- 3) To support the *social contract* with the taxpayers and voters in the affected communities. Maintaining confidence is pivotal to society's bonds. Individuals must be treated equitably when they operate in compliance with the law. Under this scheme the state would collect taxes, including those generated from Proposition 30, but then deny access to state funding, including possible bond funds approved by voters in prior years, paid for by these tax dollars.
- 4) To respect the decisions of voters. The voters established charter city authority in the Constitution; they voted to adopt local charters as authorized by the Constitution; and they voted for previously-approved state bonds or tax revenues that they would now be denied access to by this new legislative condition. Chief Justice and former California Governor Earl Warren described the right to vote as "*a fundamental matter in a free and democratic society...especially since it is preservative of other basic civil and political rights.*"
- 5) To avoid further deterioration of trust in state government. The 51 cities potentially affected by this measure represent up to five million people. Undercutting the Supreme Court's ruling and cutting off state funding will deepen concerns that the state is not to be trusted and will later change the purpose or allocation of state bond funds, tax levies and other proposals. This distrust could jeopardize the approval of future state bonds and taxes, or incentivize restrictive initiatives.
- 6) To reduce potential delays in existing or future state infrastructure projects that may unknowingly depend on one or more of the affected cities to plan or take other actions. For example, the High Speed Rail train will pass through several communities affected by this bill. It is unclear whether this measure could produce confusion over whether state funds can be expended in those communities, or open up new legal issues which could delay the project. Prohibiting the expenditure of state funding in these communities could have unintended consequences that have not been adequately researched by the Legislature.
- 7) To avoid the unwarranted and punitive financial impacts on communities facing difficult budget conditions, high unemployment or other fiscal hardships.

For the above reasons, we respectfully request your Veto of SB 7. If you have any questions, or if I can be of any assistance, please call me at (916) 658-8222.

Sincerely,



Daniel Carrigg
Legislative Director

Cc: Honorable Senator Darrell Steinberg
David Lanier, Chief Deputy Legislative Secretary, Office of Governor Brown