

FOCUS

Analysis, Commentary and Updates on Legislative and Policy Issues that Affect California Cities

**November 18, 2005
Issue #45-2005**

**The Legislature is
in recess until
January 4.**

LEAGUE PREPARES FOR BUSY 2006 LEGISLATIVE YEAR

The legislative and policy-making apparatus in Sacramento is revving up for what could be a very busy 2006. Here is a summary of the key issues the League has been working on – issues that again appear at the forefront of the administration’s and Legislature’s agenda. *For more, see Page 2.*



LAO RELEASES REPORT ON CALIFORNIA’S FISCAL OUTLOOK

The Legislative Analyst Office (LAO), California’s non-partisan fiscal and policy advisor, has released its projections on the state’s general fund revenues and expenditures for 2005-06 through 2010-11. *For more, see Page 3.*



PARCEL TAX CHALLENGE REBUFFED

A Court of Appeal has rejected a non-resident property owner’s legal challenge to a voter-approved parcel tax. The parcel tax in dispute is a special tax to fund fire services, parks and recreation, police services, water services, and street improvements. The property owner alleged that the parcel tax violated various constitutional provisions, and also that the property owner, and other non-resident property owners, should have been allowed to vote on the parcel tax. The Court soundly rejected the property owner’s arguments. *For more, see Page 2.*

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The property owner's first argument was that Proposition 13 does not permit the voters to place a special tax on real property. The Court disagreed, and held that both Propositions 13 and 218 do not prohibit special taxes on property.

The owner's next argument was that this parcel tax was in reality a general tax, not a special tax, and that Proposition 13 prohibits a general tax from being placed on property. The Court again disagreed, and held that the multiple governmental services being funded by the parcel tax did not transform the tax into a general tax.

Lastly, the owner argued that he, and other non-resident property owners, should have been allowed to vote on the parcel tax. The Court held that the City could properly limit eligible voters on the parcel tax to only those persons living in the city.

The case is *Neilsen v. City of California City* (2005). As the property owner still has the opportunity to appeal this case to the Supreme Court, the League will continue to monitor the case through the Legal Advocacy Committee.

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HOUSING AND LAND USE/INFRASTRUCTURE**

Discussions continue on legislative proposals to address the state's housing crisis.

League-Builders Housing/General Plan Task Force

Last month the League's board of directors adopted, a housing proposal recommended by city officials who had participated with the League-Builders Housing/General Plan Task Force.

The goal of the proposal is to respond – through an incentive-based approach – to provide greater certainty about where and under what conditions houses can be built, while preserving local decision-making authority and identifying new funding to pay for infrastructure and service needs.

League officers have since met with representatives of the California Building Industry Association. Both parties "agreed to disagree" about some matters, but to keep the lines of communication open as the League and the builders work their preferred legislative proposals.

Task Forces: Possible Legislation

The Schwarzenegger Administration is exploring its options through a series of task forces. In October, the secretaries of Business, Transportation and Housing (BT&H), Resources, Food and Agriculture and State and Consumer Services met with representatives of other organizations involved in land use (local government, environmental groups, housing advocates, farmland preserva-

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UNABLE TO ATTEND THE LEAGUE OF CALIFORNIA CITIES 2005 ANNUAL CONFERENCE?

Here's an opportunity to acquire the books written by some of the speakers on the program.

Freakonomics: A Rogue Economist Explores the Hidden Side of Everything, by Steven D. Levitt & Stephen J. Dubner, item no. 115

Guide to California Planning, by William Fulton & Paul Shigley, item no. 384

Sidewalk Strategies: Seven Winning Steps for Candidates, Causes and Communities, by Larry Tramutola, item no. 1607

Urban Sprawl and Public Health: Designing, Planning, and Building for Healthy Communities by Richard Jackson, item no. 1730

CityBooks can help increase your professional knowledge in vital areas. Don't miss this great way to expand and share your learning with colleagues at city hall! Books may be purchased online at www.cacities.org/store or call (916) 658-8257 for an order form.

FUEL CELL WORKSHOP TO BE HELD IN DECEMBER

City officials interested in hydrogen fuel cell technology and hydrogen-powered fuel cell vehicles (council members and city managers, fire chiefs and fire prevention/operations officials, environmental personnel and others) are encouraged to attend a December 7 workshop on this topic in Torrance, Calif. The workshop will be sponsored by the Los Angeles Area Fire Marshals Association (LAAFMA) and the California Fuel Cell Partnership (CaFCP).

Experts will discuss a variety of topics related to fuel cell technology, including fueling stations, hydrogen myths, safety issues, vehicle design, and much more. The workshop also includes a test drive or ride in prototype hydrogen fuel cell vehicles by a variety of automakers.

The day-long workshop symposium is offered free of charge, and will be held from 9 a.m. to 4 p.m. at the Torrance Cultural Arts Center in the Toyota Meeting Hall, located on 330 Torrance Blvd.

Business and industry personnel, along with interested public officials, are all encouraged to attend.

To register, please visit the LAAFMA website at www.laareafiremarshals.org. To register by phone, call (310) 781-7637 and follow the prompts for registration.

Our Mission

Restore and protect local control for cities through education and advocacy to enhance the quality of life for all Californians.

LAO from page 1.....

Of special note to cities, the LAO highlighted early repayment of the VLF gap loan debt owed to cities and counties as a factor in reducing the state's long-term deficit, citing it as one reason for the state's improving fiscal situation.

The projections showed an overall improvement in the state budget, with the current year ending with a reserve of \$5.2 billion – up approximately \$4 billion from prior estimates. Revenues since July have gone up sharply, while expenditures have decreased at a modest rate.

Revenue increases were due to higher-than-anticipated personal income tax returns, significantly high corporate tax, and somewhat higher sales and use tax receipts. The report cited modest reductions in expenditures (about \$80 million) as an additional factor helping to improve the 2005-06 budget picture. The largest changes consist of lower spending for Proposition 98 education partly offset by increases in state retirement costs (stemming from an assumed one-year delay in the sale of pension obligation bonds).

LAO also stated that the budget reserve should be sufficient to keep the 2006-07 budget balanced, without the need for significant program reductions or additional revenues.

Despite the state's improved economic outlook, however, LAO cautioned that multi-billion dollar operating deficits would be present through fiscal year 2010-11. Although those deficits are projected to decrease over time, the report encouraged the Legislature to take further steps to minimize operation costs and to continue building the budgetary reserve.

In addition to the budget overview, the LAO report delivered projections on state economics, demographics, revenues, and expenditures. The state Department of Finance will come out with its own revenue estimates next month in preparation for the presentation of the administration's budget package, which is due by January 10, 2006.

For a copy of the full LAO report, please visit the LAO website at www.lao.ca.gov.

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tionists and others). The administration representatives asked for advice and consultation on elements that they believe should be included in a housing/planning reform package, including possible reforms to the California Environmental Quality Act (CEQA). The administration representatives said that while consensus was desirable, it was not a requirement for a final package.

As a follow-up to that meeting the League is working with other stakeholders to develop a package of financial incentives for communities that accept housing. This role is consistent with the concerns about funding for services and infrastructure that the League has stressed in its discussions with the builders.

Conclusion

2006 will be a year when numerous housing/land use proposals are introduced. The League is committed to working toward meaningful solutions – but will insist on proposals that preserve local decision-making and which address cities' critical need for funding to pay for services and infrastructure.

INFRASTRUCTURE/TRANSPORTATION

There are several efforts at play to find more money to pay for the state's infrastructure needs, particularly as they relate to transportation. The League is participating in discussions with a coalition of transportation stakeholders to explore the potential for a ballot measure or initiative that would permanently dedicate Prop. 42 funds – the sales tax on gasoline – to transportation. Such a constitutional amendment would put an end to the annual fight to make sure these transportation-derived revenues are always directed to transportation needs.

So far, however, the only proposed legislative measure in print is Senate Pro Tem Don Perata's SB 1024, a \$10.2 billion package that includes \$2.5 billion to repay Prop. 42 funds to projects that lost Prop. 42 money in 2003 and 2004, when the funds were transferred to other state needs.

SB 1024 also outlines proposed funding for several other areas including: \$2.3 billion to improve the state's ports and trade corridors; \$1.2 billion for flood protection; \$1 billion for high-speed rail; \$425 million for improvements to local streets and roads for local governments that have housing elements that have been approved by the State Department of Housing and Community Development, and met other requirements.

Sen. Perata was joined this week by Sen. Tom Torlakson (Antioch) in a press conference at the Port of Oakland, during which they talked about the need for this measure.

The League is also working on SAFETEA-LU, the recently passed federal reauthorization for distribution of the 18-cent federal gas tax to states for transportation.

Under this new act, California will receive a 34 percent increase in revenues over TEA 21 (was the previous federal transportation authorization). This increase will result in approximately \$5 billion more in revenues for California's transportation needs, above those received in the six years of the previous federal act.

SAFETEA-LU must now be implemented at the state level through implementation legislation. The League is working with a statewide coalition of transportation stakeholders to collaborate and provide input to ensure that an equitable approach for distribution of the SAFETEA-LU revenues is adopted.

We're just getting started in this process, but can anticipate that SAFETEA-LU will be a focus of our efforts next year.

REDEVELOPMENT AND EMINENT DOMAIN

Protection of redevelopment funds was a key priority for the League in 2005. While concerns about protecting this funding from possible legislative action remains high, concern has shifted since the Supreme Court decision in *Kelo v. City of New London* to possible legislative action that

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could impact the ability of redevelopment agencies to use eminent domain to acquire property needed for affordable housing and other redevelopment projects.

The Senate Local Government Committee held a joint hearing this week involving four other committees, to explore reforms to the state's rules regarding the use of eminent domain. Reforms could include changing the definition of a finding of blight, which can trigger the involvement of a redevelopment agency in a project where eminent domain could be used. More action on this issue could occur in January, when the Legislature reconvenes.

Federal Action on Eminent Domain

Congress has also taken up the eminent domain issue. Last week, the House of Representatives overwhelmingly passed H.R. 4128, which pre-empts local government from receiving federal funds for any project involving the use of eminent domain.

The Senate has not yet acted on the issue. They could take up a different measure, adopt the House measure, or take not action at all.

The League is working closely with the National League of Cities (NLC) and other national and regional local government organizations to educate senators about the importance of preserving this critical redevelopment tool.

TELECOMMUNICATIONS REFORM

The legislative session shut down in September without the Legislature having moved any telecom reform measure. Assemblymember Levine, chair of the Assembly Utilities and Commerce Committee, had committed to continue discussions among all stakeholders throughout the fall.

At the national level, there was sudden movement the week of November 7, when the House Commerce Committee released a new version that was friendlier to the telephone industry than a

previous draft, and scheduled a hearing to consider it on less than a week's notice.

The League, NLC and other local government partners do not support the new draft. As reported by NLC, cities' suggestions for changes to the first draft were ignored and the bill, as Rep. John Dingell (Mich.) explained, "shifted in the direction of a selected group of stakeholders," the telephone companies.

NLC identified two major concerns with the new draft:

- Local government has fewer means to enforce public safety under the new draft than the old draft. The industry sets public safety standards, not local government.
- Video franchise fees are limited to 5 percent of subscriber revenue, not the 5 percent of gross revenues that is standard today. There is also no recovery over 5 percent for public access channels or institutional networks.

The League of California Cities is working closely with NLC on responses to this latest development, including urging that the committee work in a bipartisan way to consider proposals that take local government concerns into account. We will keep members apprised as these discussions continue.

City Officials Need to "Get Smart" on Telecom!

These recent developments underscore the urgent need for California city officials to educate themselves about the telecom issue, and how reforms could affect local franchising authority. The current issue of *Western City* magazine includes a cover story on the telecom issue ("How the Telecommunications Revolution Will Affect Your City"). You may view a copy of the story on the *Western City* website (www.westerncity.com). Reprints of the story are also available by contacting League staff member Adrienne Sprenger (asprenger@cacities.org).

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PENSION REFORM

While pension reform stalled in 2005, the issue is by no means dead. In September Assemblymember Keith Richman introduced ACA 23, a "hybrid" version of the measures he introduced last January (ACA 5 and ACAX1 3). Those proposals incorporated the governor's plan, by offering to new state and local employees only a defined contribution plan (like a 401k), rather the defined benefit available to public employees today.

Richman's new proposal would again apply to both state and local agencies, but this time would offer a defined benefit plan coupled with a defined contribution pension plan. He has stated that if the Legislature will not pass his measure, he will take it to the ballot through the initiative process, probably for the November 2006 election.

The League's Pension Reform Task Force met this week to confer about the new Richman proposal, and to discuss the likelihood of legislative action this year. The League's position on pension reform is that it must be based upon sound actuarial analysis of what approaches will demonstrate cost savings to local government in the long-term.

The League also supports the task force recommendations, reached last spring, which state that any reform proposal should provide career employees with a fair retirement benefit that will maintain their standard of living in retirement; and that defined benefit programs should be maintained as the "central pension plan for retirees in California".

The entire League Pension Reform Task Force report is available in the Issues and Legislation – Employee Relations section of the League's website (www.cacities.org).

FLOOD CONTROL

In this post-Hurricane Katrina environment, flood control and development promises to be one of the more lively topics of the 2006 session.

While the issue was on the middle-burner

during the 2005 session, the administration-sponsored AB 1665 (Laird) and ACA 13 (Harman), as well as AB 802 (Wolk), all stalled. In 2006, the issue of flood control and development in flood prone areas will definitely be a front burner concern.

Issues will include the status of levees in California, whether flood insurance should be mandatory or voluntary, property owner notification, improved mapping of flood zones, liability, and development in flood prone areas. The latter issue is the one that will be of most interest to and have the greatest impact on cities. The League is participating in the stakeholder meetings that have already begun on the topic of flood control and testified at a joint hearing of the Assembly Water Parks and Wildlife, Insurance and Judiciary Committee earlier this fall.

In order to thoughtfully participate in the legislative process, the League will form a working group of representatives from the League's Environmental Quality and Housing, Community and Economic Development policy committees, as well as other city experts. The working group will evaluate the issues and propose guiding principles to the policy committees and League board for League staff to use as these issues move through the Legislature.

Key to any proposal to improve the state's flood control system is funding. Thus, ACA 13, which deals with storm water and flood control fees and Proposition 218, is integral to any legislative proposal.

The League will be working with the administration, Assemblymember Harman's office and city officials to build the necessary legislative support to move the bill out of committee, and to secure the two-thirds vote necessary to pass it in the Assembly and Senate and place it on the ballot.

FOCUS

Analysis, Commentary and Updates on Legislative and Policy Issues that Affect California Cities

December 2, 2005
Issue #46-2005

**The Legislature is
in recess until
January 4.**

Action Alert:
**Write the Governor
about the Prop. 42
Funding Gap!**

LEAGUE RESPONDS TO FEDERAL TELECOM PROPOSAL

The League of California Cities this week sent a letter to Congressman Joe Barton (TX-6), chairman of the House Energy and Commerce Committee, expressing serious concerns with his draft legislation relating to broadband internet transmission services (BITS). The letter was also sent to all California members on the committee. *For more, see Page 8.*



LEAGUE BOARD ADOPTS STRATEGIC GOALS FOR 2006 HEALTHY, SAFE CITIES A STRATEGIC FOCUS

The League board of directors set the course of the organization for 2006 after meeting with the leaders of the League's departments, divisions, policy committees and caucuses on November 18-19. After participating with the League leaders in eight separate discussion groups, the directors considered a list of proposed strategic goals formulated by the discussion groups. The following focus and goals were adopted: *For more, see Page 7.*



PROP. 42 – FILL THE GAP!

The League of California Cities and the California State Association of Counties (CSAC) are asking city and county officials to contact Gov. Arnold Schwarzenegger and urge him to fund the local street and road maintenance program under Proposition 42 in FY 2006-07 and FY 2007-08. *For more, see Page 8.*

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NEW U.S. COMMUNITIES PROGRAM HELPS CITIES PURCHASE HOMELAND SECURITY PRODUCTS

The League of California Cities, together with the U.S. Communities Government Purchasing Alliance (a national purchasing program sponsored by the League), the National League of Cities, and other local government associations, is proud to announce the availability of a wide range of homeland security products and equipment through a new competitively-bid national contract with Hagemeyer North America.

Through the U.S. Communities program, most local governments may piggyback on a contract competitively bid by another public agency to purchase equipment and services at reduced prices. The Hagemeyer contract with U.S. Communities offers best national pricing (39 percent off published prices) on the following homeland security products and equipment:

- Personal protective equipment
- Explosive device mitigation and remediation equipment
- Search and rescue equipment
- Interoperable communications equipment
- Detection equipment
- Decontamination equipment
- Physical security enhancement equipment
- Terrorism incident prevention equipment
- Logistical support equipment
- Medical supplies
- Reference materials
- Other public safety, law enforcement and fire equipment

The cost for many of these homeland security products may also be eligible to be reimbursed through a grant program from the U.S. Department of Homeland Security Office of Domestic Preparedness. For more information on Federal Homeland Security grants, contact the California's Office of Emergency Services or visit the Office of Domestic Preparedness website at www.ojp.usdoj.gov.

"The League is pleased to be a sponsor of U.S. Communities," said Chris McKenzie, League executive director. "Working through our network

of state municipal leagues, we are able to provide our members with opportunities for both cost savings and administrative savings in typical government purchases, and to bring the best government pricing to all California cities, large or small."

The U.S. Communities program offers significant saving to cities at many levels. It can reduce spending through better pricing made possible by the aggregate purchasing power of local governments nationwide. Today, more than 9,000 cities, counties, schools and other public agencies utilize U.S. Communities contracts. There is no fee for a city to participate in the U.S. Communities program and no minimum spending requirement.

This program is one that city managers should review and share with police and fire departments and purchasing managers.

U.S. Communities also offers office and school supplies, office and classroom furniture, electrical and data supplies, computers and technology equipment, janitorial supplies, flooring, and parks and playground equipment.

For general information about the program, registration details, and to view the U.S. Communities product offering, visit the U.S. Communities website at www.uscommunities.org. Information about the program is also available by contacting League Administrative Director Dan Harrison at (916) 658-8267, or via e-mail at dharrison@cacities.org.

For more information on the homeland security products and equipment, contact Hagemeyer North America at (888) 745-6486 or via e-mail at uscommunities@hagemeyerna.com.

**For more information on this and
other League issues, visit
www.cacities.org.**

REDEVELOPMENT SCRUTINIZED IN LATEST LEGISLATIVE HEARING

While Congress was passing federal budget language that would restrict the use of federal funds for economic development projects involving the use of eminent domain (see "Federal Update," p.4), five state legislative committees met in the State Capitol in mid-November to examine a range of redevelopment issues – including eminent domain.

The legislative hearing was the second of two interim hearings on redevelopment reform held this fall. The second hearing focused on redevelopment reform proposals prepared by Legislative staff. A briefing paper on the proposals appears on the Senate Local Government Committee's webpage at www.sen.ca.gov/locgov.

It appears that several legislators involved intend to pursue a redevelopment reform agenda when the Legislature reconvenes in January. For example, in her opening comments, Sen. Christine Kehoe, chair, Senate Local Government Committee, stated that "five or six" bills on redevelopment would be considered in January.

Invited witnesses to the hearing included five representing the California Redevelopment Association (CRA): Anne Moore, CRA president and executive Director of the Sacramento Housing & Redevelopment Agency; Brent Hawkins, CRA general counsel from McDonough, Holland & Allen; Murray Kane from Kane, Ballmer & Berkman; Lee Rosenthal from Goldfarb & Lipman; and John Shirey, CRA executive director.

Despite an advertised agenda that stated public comment would be limited to 15 minutes, the members allowed hours of public comments. Approximately 35 witnesses spoke out against redevelopment.

The legislative staff briefing paper prepared for the hearing included 52 proposals. CRA prepared written responses to all 52 proposals, and has posted a copy on the CRA website (www.calredevelop.org).

CRA observers left the hearing with one observation that should not be lost on all supporters of

redevelopment: several key members of the State Legislature in leadership positions are no longer focused solely on eminent domain issues arising out of the public's negative reaction to the U.S. Supreme Court's decision in *Kelo v. New London*, but instead are poised to act on legislation next year that will further restrict the use of redevelopment in California.

Members of the Legislature that attended all or a portion of the joint hearing included Senators Christine Kehoe (District 29), Roy Ashburn (District 18), Dave Cox (District 1), Allan Lowenthal (District 27), Bob Margett (District 29), Tom McClintock (District 19), Nell Soto (District 32), and Tom Torlakson (District 7); and Assemblymembers Joe Baca (District 62), Dave Jones (District 9), Gene Mullin (District 19), Simon Salinas (District 28), and Alberto Torrico (District 20).

"Redevelopment and Blight," the summary report from the October 26 hearing in San Diego, is now available on the CRA website at www.calredevelop.org, along with a two-page flyer explains how you can order your copy of the report.



THIRD QUARTER 2005 NATIONAL SURVEY OF ECONOMIC DEVELOPMENT PROFESSIONALS RELEASED

The National Survey of Economic Development Professionals released its 2005 third quarter survey recently.

Conducted by metro-level economic development representatives nationwide, current survey results revealed an upswing in announcement activity, although overall prospects declined during the third quarter of 2005.

In addition, the survey found that:

- Prospect and announcement activity during the next six months is expected to de-

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FEDERAL UPDATE: TRANSPORTATION AND HOUSING PROGRAMS APPROPRIATIONS BILL PASSED

The U.S. Congress is set to return from its Thanksgiving recess in December. The House of Representatives reconvenes on December 5, while the Senate will resume on December 12.

During the fall, Congress approved a number of bills, including the passage of the Fiscal Year (FY) 2006 Transportation-Treasury-Housing and Judiciary appropriations bill. Details on this development, and others, can be found below:

Congress Approves FY 2006 Transportation-Treasury-Housing and Judiciary Appropriations Bill

On November 18, Congress passed the FY 2006 Transportation-Treasury-Housing and Judiciary appropriations bill (H.R. 3058). This bill funds federal transportation and housing programs. The bill rejected the Bush Administration's proposal to eliminate the Community Development Block Grant (CDBG) and 17 other community and economic development programs into a new \$3.7 billion Strengthening America's Communities Initiative block grant. However, CDBG funding was reduced by nearly 9 percent, from \$4.11 billion in FY 2005 to \$3.75 billion.

In addition, the conference agreement, in response to the Supreme Court's *Kelo v. City of New London* decision, would bar the use of funds in the bill for any federal, state or local project that seeks to use the power of eminent domain unless eminent domain is employed for a public use. The bill specifically excludes economic development from the definition of public use.

The House and Senate conferees opted not to include in the final language the blight provision in the Senate's version of the bill, which allowed the use of eminent domain for the removal of blight as well as for public use. Instead conferees chose to narrow the blight definition to include only "projects for the removal of an immediate threat to public health and safety or brownfields."

The language also directs the Government Accountability Office in consultation with the National

Academy for Public Administration, as well as organizations representing state and local governments and property rights organizations, to conduct a study on the nationwide use of eminent domain. The report is expected to include "the procedures used and the results accomplished on a state-by-state basis as well as the impact on individual property owners and on the affected communities," and must be submitted to Congress within 12 months of the enactment of the bill.

The bill also includes \$36 billion for highway programs, \$8.6 billion for transit programs, and \$13.8 billion for the Federal Aviation Administration (FAA). President Bush is expected to sign the bill into law.

Congress Approves Second Continuing Resolution

On Friday, November 18, the U.S. Congress approved H.J.Res.72, a continuing resolution (CR) that will maintain federal Defense and Labor-Health and Human Services-Education programs until Congress is able to pass the FY 2006 appropriations measures that fund these programs. The new CR will extend funding through December 17. As was the case in the previous CR, H.J.Res 72 sets temporary funding at the lowest of three spending levels: the 2005 enacted level, the House-passed 2006 level or the Senate-passed 2006 level. Congress has already passed the other nine FY 2006 appropriations bills. President Bush signed the new extension into law on November 19.

December Action Expected On FY 2006 Labor-Health and Human Services-Education Appropriations Measure

House and Senate conferees on the FY 2006 Labor-Health and Human Services-Education appropriations measure (H.R. 3010) will be forced to revisit conference negotiations on the bill when they return from their Thanksgiving recess. The original measure, which conferees delivered to the House floor on November 17, was voted down by a 209 to 222 vote.

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FEDERAL UPDATE: TRANSPORTATION AND HOUSING PROGRAMS from page 4

The \$602 billion bill supports key health and education programs and is the largest, and often most contentious, of all the annual spending measures. The rejected conference report contained no discretionary program earmarks. Congressional leadership is considering alternatives to gain passage of the bill, which may involve Congress passing a year-long CR for all federal programs under the jurisdiction of the bill. Another option that is being considered would re-conference the Labor-Health and Human Services-Education appropriations bill and attach it to the FY 2006 Defense appropriations bill, which is the only other remaining FY 2006 appropriations measure that Congress must pass prior to final adjournment.

Congress Approves FY 2006 Science-State-Justice and Commerce Appropriations Measure

On November 16, Congress approved and sent to the president the conference report on a bill providing FY 2006 appropriations for Commerce-Justice-Science and related agencies (H.R. 2862). Funding for the Justice Department rose to \$21.4 billion, an increase of \$784 million over FY05 funding and \$1.1 billion above the President Bush's request. Of that amount, \$2.7 billion will go to state and local law enforcement assistance, a \$287 million decrease from last year's funding but \$1.1 billion over the president's budget. Key local law enforcement funding in the bill is as follows:

- Justice Assistance Grants—\$321 million (down from \$626 million in FY 2005)
- COPS Interoperable Communications—\$10 million (down from \$99 million in FY 2005)
- COPS Hiring Grants—\$0 (down from \$10 million in FY 2005)
- COPS Technology Grants—\$129 million (down from \$137 million in FY 2005)
- Juvenile Justice Formula Grant—\$80 million (down from \$83 million in FY 2005)
- Juvenile Accountability Block Grant—\$50 million (down from \$54 million in FY 2005)

Congress Passes FY 2006 Energy and Water Appropriations Bill

Congress approved the conference report on the FY 2006 Energy and Water appropriations bill (H.R. 2419) on November 14. The bill provides \$30.5 billion in budget authority, a \$749 million increase from the 2005 level, for the U.S. Army Corps of Engineers-Civil, the Department of Interior including the Bureau of Reclamation, the Department of Energy, and several independent agencies. President Bush signed the bill into law on November 19.

Congress Approves FY 2006 Military Quality of Life and Veterans Affairs Appropriations Measure

On November 18, Congress passed the \$82.6 billion fiscal 2006 appropriations bill that funds military construction and veterans' programs (H.R. 2528). The measure has been sent to the president for his signature. \$70.2 billion is devoted to the Department of Veterans Affairs. The bill also includes an amendment by Sen. Feinstein that provides an additional \$24 million in the Navy's BRAC 1990 account for environmental remediation at previously closed military bases.

Leaving City Office? Retiring?

The League wants to stay in touch! Just because you are leaving your position with the city doesn't mean you stop caring about or wanting to be involved in city issues. Keep abreast of developments affecting cities and the League by becoming part of the League's alumni group. Members will receive periodic updates on city issues and League activities. This is the League's way of saying "thank you" for your public service—there is no fee for this service.

To join, go to www.cacities.org/alumni or send your contact information to dharrison@cacities.org.

OPR SEEKS PUBLIC COMMENT ON COMMUNITY/MILITARY COMPATIBILITY HANDBOOK

The Governor's Office of Planning & Research (OPR) is encouraging local decision makers and planners, developers, the military and interested community members to read and comment on a new draft "Advisory Planning Handbook for Community and Military Compatibility Planning."

This advisory handbook provides information on how communities and the military can develop collaborative processes and plans that will safeguard military readiness, sustain local economies, and protect the health and safety of California's residents.

A draft of the handbook became available for public comment on Thursday, November 30. A complete document can be downloaded from the project's website at www.advisoryhandbook.com.

Comments can be submitted to OPR on the website, through the mail or by fax at (916) 323-3018. All comments are due by 5 p.m. on Friday, December 30. Comments will also be taken at three public hearings to be held in the High Desert, Northern California, and Southern California regions at the following dates, times, and locations:

December 12, 2005
6:30 p.m. - 8:30 p.m.
Kern County Board of Supervisors Chambers
1115 Truxtun Avenue
Bakersfield, CA

December 14, 2005
4:30 p.m. - 6:30 p.m.
State Capitol, Governor's Council Room
1303 10th Street
Sacramento, CA

December 15, 2005
6:30 p.m. - 8:30 p.m.
Mission Valley Branch Library
2123 Fenton Parkway
San Diego, CA

For more information, contact the OPR Handbook Project Manager, Julia Lave Johnston, at (916) 445-0613.

For comments submitted via mail, address them to the following:

Governor's Office of Planning & Research
P.O. Box 3044
Sacramento, CA 95812-3044
Attn: Julia Lave Johnston



ECONOMIC DEVELOPMENT SURVEY from page 3

crease compared to the previous quarter, however there is still a positive feeling about future activity.

- Project Quality displayed mixed results with real estate absorbed and capital investment increasing, while total payroll, average salary, and jobs are decreasing.
- Respondents felt that the national economy became weaker during the last quarter, although their local economies have become stronger.

The survey was created to learn more about economic development industry trends in the United States by accessing the market knowledge of professionals to compare current activity levels and program impacts. The survey includes a series of measures analyzing economic development activity in four categories including marketing levels, project quality/size, current views of economic conditions, and impact of the current economy on economic development programs.

Complete survey results can be found online at www.gpec.org/edsurvey/results.html.

HIGHLIGHTS OF NOVEMBER BOARD OF DIRECTORS MEETING

In addition to selecting 2006 strategic goals, the League board of directors addressed a number of other topics at its November meeting:

Telecommunications and Pension Reform. The board received information and gave direction on these critical issues. The League has active task forces on both topics, providing the opportunity to tap city and industry expertise and advice.

Legislative Year in Review. Dominated by the November Special Election, 2005 yielded the lowest number of new bills signed into law in recent history — just 729, well below a typical year. Cities fared very well. Highlights included:

- **Proposition 1A.** It worked — no additional local budget raids were approved.
- **Early repayment of the 2003 VLF Gap Loan** — few could anticipate the state repaying its debts, not just on time, but early.
- **Full funding for Proposition 42** transportation funds.

Possible Proposition 42 Reform Campaign. The board again affirmed its desire to secure and protect permanent funding for transportation projects under Proposition 42. To achieve this, the board authorized staff to explore possible co-sponsorship of a Prop. 42 reform initiative on the 2006 statewide ballot.

Board Adopts 2006 League Budget. The board adopted the League budget for calendar year 2006. The budget includes a 5 percent dues increase, which will allow the League to maintain momentum and direct the full measure of League resources to the strategic priorities selected for 2006. The League is well financed overall and has adequate reserves, but the board approved a number of actions and directed staff to implement a plan over the next three years to ensure a balanced budget.

Cities for Healthy Kids. In a 2003 action, the board approved the League working with the California Teachers Association and the California

Association of Health Plans in a joint effort to enroll poor children in the federal Healthy Families health insurance program. Phase I of this program has just been funded by the WellPoint Foundation. This will consist of focus groups to identify how best to work with cities to identify those kids who are eligible for no or low-cost health insurance. The board reviewed project plans, authorized the executive committee to serve as the project oversight committee and authorized the creation of a technical advisory committee. For more information, contact Yvonne Hunter at (916) 658-8242 or yhunter@cacities.org.



LEAGUE from page 1

Strategic Focus in 2006: To support policies that directly promotes the development and redevelopment of healthy and safe cities.

Strategic Goals: Building on the progress made on similar goals in 2005, the board determined that, again in 2006, the League and its divisions, departments, caucuses and policy committees will focus it's advocacy work on the following:

- **Infrastructure:** Expanded funding for state and local investment in the physical infrastructure of California, including, but not limited to, its roadways, bridges, levees, parks, libraries, and systems for delivering and treating water, wastewater and storm water.
- **Housing:** Expanded housing supply and affordability for all Californians, consistent with the planning and environmental quality objectives of the League's Principles for Smart Growth and the League's mission to restore and protect local control.
- **Redevelopment:** Protection of redevelopment funding and authority, the critical tools necessary for local investment in future affordable housing and the infrastructure so necessary for the continued expansion of the California economy.

PROP. 42 from page 1 FEDERAL TELECOM from page 1

Background. Since its enactment, with the exception of the current fiscal year, the disappointing history of the Prop. 42 program has been one of the state using its authority to suspend the program each year and then taking the money to help reduce general fund deficits. During the first years of the Prop. 42 program, local governments were loaned money from the State Transportation Improvement Program (STIP) to cover two years of local street maintenance costs under the program. Local governments received this Prop. 42 "in-lieu" money while the money for state projects was suspended, again to reduce state general fund deficits.

In order to receive these initial funds, local governments were required to pay back the STIP in fiscal years 2006-07 and 2007-08 by foregoing any Prop. 42 revenues. Consequently, under current law, cities and counties will not receive additional Prop. 42 funds until FY 2008-09, when cities are expected to receive \$280 million, based on expected gas tax revenues of \$1.4 million. That leaves a gap of between \$254-280 million (based on the gas tax revenues) for the each of the next two years.

Where We Are Today. Because the state's fiscal situation has improved significantly, and the governor and his staff are busy preparing the 2006 state budget, now is the ideal time to urge the governor to propose a budget that "fills the gap" in Prop. 42 funding of local streets and roads.

With a \$13 billion backlog in road and bridge rehabilitation projects, city and county streets and roads desperately need this transportation money to maintain the public's investment in the transportation system. If these streets and roads are allowed to further deteriorate, the reconstruction of the road is vastly more expensive than the cost of routine maintenance.

The League urges city officials to write the governor, asking him to "fill the gap" in Prop. 42 funding. Tell him about the projects in your city that will be stalled if the Prop. 42 funding gap is not filled. Also, please send copies of your letter to your legislators, so they are aware of your request to the governor.

A sample letter is available for download on the League's website at www.cacities.org.

The "BITS" legislation would establish a new regulatory framework for a range of telecommunications-related technologies, including the delivery of video over the Internet.

The letter articulates key principles that the League argues should be included in future drafts on telecommunications reform to protect California cities' ability to protect public rights-of-way and provide basic services to residents and businesses. The League also expressed its willingness to work with the committee as future drafts are released.

In September 2005, the House Commerce committee staff released a bi-partisan staff draft bill. The League and national stakeholders did not feel that the first draft was ideal, but through the congressional representation, the League continued to work with staff to ensure that have local concerns met.

In early November, however the committee released the latest draft, which was a significant revision of prior versions of the bill. The League and other national organizations expressed great concern over provisions that would limit video franchise fees to 5 percent of subscriber revenue instead of 5 percent of gross revenues, and limit local governments' ability to enforce public safety. Congressman Barton had authored the previous two drafts.

A full copy of the League's letter to Congressman Barton can be found on the League website at www.cacities.org.

Key Principles for Reform. The following are some of the principles that the League believes must be considered as part of reform:

- **Preserving Valuable City Services** - It is essential that California cities retain current revenue sources in any federal telecommunications reform legislation in order to maintain basic services to our residents.

- **Maintaining Municipalities' Authority in**

Continued on Page 9

FEDERAL TELECOM from page 8

Franchise Agreement Negotiations - Local governments are committed to ensuring that consumers benefit from any federal telecommunications reform policy. To maximize consumer benefit it is important for local governments to maintain the ability to work with providers through franchise agreements to ensure the provision of key services, including public, education and government channels, and that local emergency alerts and institutional networks are tailored to meet specific local needs.

- **Ensuring Service Availability to All Consumers** - Any federal telecommunications overhaul policy needs to: address "digital divide" concerns by preventing "redlining" that picks higher income neighborhoods for service, while excluding less-profitable, lower income neighborhoods; and specify "build-out" requirements for providers.

- **Supporting Local Government's Ability to Regulate Use of Public Rights-of-Way** - Local governments are important and proven stewards of the public rights-of-way, and are pivotal in helping to prevent public safety issues resulting from overcrowding and improper use; ensuring local emergency (911) services are provided; as well as addressing customer service and local business concerns related to misuse of public rights-of-way.

Next Steps. The House Commerce Committee continues to work on a new draft of a telecommunications re-write bill. The committee is aiming to have a mark-up on a third draft during the week of December 12 (see "Upcoming Senate Commerce Committee Telecommunications Re-Write Schedule").

City officials are urged to monitor these developments closely, as the outcome of telecommunications reform could dramatically impact local revenues and cities' ability to provide essential services. For more information on this issue, please visit the Telecom page on the League's website (www.cacities.org/telecom).

UPCOMING U.S. SENATE COMMERCE COMMITTEE TELECOMMUNICATIONS RE-WRITE SCHEDULE

Tuesday, January 24, 10 a.m.
Video Franchising - Live Webcast
Full Committee Hearing

Tuesday, January 24, 2:30 p.m.
Video Content - Live Webcast
Full Committee Hearing

Thursday, February 7, 10 a.m.
Competition and Convergence - Live
Webcast
Full Committee Hearing

Tuesday, February 14, 10 a.m.
State and Local Issues and Municipal
Networks - Live Webcast
Full Committee Hearing

Thursday, March 2, 10 a.m.
Wireless Issues/Spectrum Reform -
Live Webcast
Full Committee Hearing

Tuesday, March 14, 10 a.m.
Voice-Over Internet Protocol (VOIP) -
Live Webcast
Full Committee Hearing

Tuesday, March 14, 2:30 p.m.
Wall Street's Perspective on Telecom-
munications - Live Webcast
Full Committee Hearing

NOTE: All hearings can be accessed
via the website on the date of the hearing at
www.commerce.senate.gov.

FOCUS

Analysis, Commentary and Updates on Legislative and Policy Issues that Affect California Cities

**December 9, 2005
Issue #47-2005**

**The Legislature is
in recess until
January 4.**

INITIATIVES TARGET USE OF EMINENT DOMAIN

Three voter initiatives have been filed with the Attorney General targeted at eliminating the use of eminent domain for any property that would not be owned and used by a public entity. *For more, see Page 3.*



NEGOTIATIONS PUSH HOUSE ACTION ON OVERHAULING TELECOM LAW INTO NEXT YEAR

House action on legislation aimed at updating telecommunications laws likely will wait until next year as a bipartisan group of lawmakers work on a deal on a variety of complex issues, from regulating online video services to setting rules to ensure consumers have unfettered access to the Web. *For more, see Page 3.*



TELECOM IN THE NEWS

Technological advances in telecommunications are creating enormous pressure in Congress and throughout the United States for regulatory reforms that could dramatically affect cities' ability to protect consumers and public rights-of-way, and maintain revenues needed for local services. For more, see Page 4.

**WANT MORE DETAILS
ON BILLS?**

Visit the League of
California Cities
website at
[www.cacities.org/
billsearch](http://www.cacities.org/billsearch).

IN THIS ISSUE

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IDENTITY THEFT SUMMIT TO BE HELD IN FEBRUARY**

ECONOMIC DEVELOPMENT IN THE NEWS

The following was sent to the League from the California Association for Local Economic Development:

LAEDC Speaks Out on Business Climate

The Los Angeles County Economic Development Corporation called on state officials to improve California's business climate with a letter asking "Why haven't we learned our Economic Development 101 lesson yet?" Visit www.dailybreeze.com to read the article titled "Group Urges Drive to Save Local Jobs."

Biotech Jobs Needed Here

BayBio is seeking to build political support for biotech manufacturing. Visit www.bizjournals.com to read the full article.

"County to County Commuting by California Residents"

This article contains maps for 25 counties that show the number of commuters to and from surrounding counties. Visit www.labormarketinfo.edd.ca.gov to read the full article.

Economic Development Resources You Should Know About

Access links to important economic development contacts at www.don-iannone.com, in the article titled "Important ED Resources You Should Know About."

Reading List for Beginners

Access links to beneficial books, reports, and articles regarding economic development issues at www.don-iannone.com, in the article titled "ED Reading List for Beginners."

IDENTITY THEFT SUMMIT TO BE HELD IN FEBRUARY

Identity theft is a growing problem throughout society, affecting city residents, businesses and local law enforcement. As a result, the League of California Cities is delighted to take part in the 2006 Identity Theft Summit as a member of the Advisory Committee.

The summit will provide city officials with the opportunity to become better educated on issues relating to identity theft and steps that cities can take to combat it. The summit will take place in Los Angeles on February 23, 2006, and will be presented by Gov. Schwarzenegger, the California Consumer Services Agency, the California State Department of Consumer Affairs, and the California Office of Privacy and Protection. It will be hosted by the California District Attorneys Association.

For more information, please visit www.idtheftsummit.ca.gov or contact League Legislative Analyst Leticia Farris at (916) 658-8214 or lfarris@cacities.org.

Leaving City Office? Retiring?

The League wants to stay in touch! Just because you are leaving your position with the city doesn't mean you stop caring about or wanting to be involved in city issues. Keep abreast of developments affecting cities and the League by becoming part of the League's alumni group. Members will receive periodic updates on city issues and League activities. This is the League's way of saying "thank you" for your public service—there is no fee for this service.

To join, go to www.cacities.org/alumni or send your contact information to dharrison@cacities.org.

TELECOM LAW from page 1 EMINENT DOMAIN from page 1

Joe L. Barton, R-Texas, chairman of the House Energy and Commerce Committee, had been hoping a subcommittee of his panel would mark up draft telecommunications legislation next week. But the chairman agreed Thursday to postpone that plan, aides to committee members said, because both Republicans and Democrats on the panel said they needed more negotiating time.

Barton has said he wants to enact legislation sooner rather than later that would update the Telecommunications Act of 1996 (PL 104-104) and set new rules for Internet-based video and voice services.

But winning consensus among industry stakeholders has been challenging. A draft bill, introduced in September, ran into substantial opposition from regional Bell phone companies which thought it would not provide enough regulatory relief. A second draft measure, released last month, addressed the Bells' concerns, but flopped with Democrats, forcing the chairman to push back his time line further.

The Senate Commerce, Science and Transportation Committee also plans to take up telecommunications legislation early next year. Chairman Ted Stevens, R-Alaska, has scheduled a series of hearings on telecommunications issues for after the holiday recess and also is said to be working on a draft bill.

Barton's panel is farther along and key members of his committee plan to meet next week to try to make headway on their legislation. Among those participating in the committee's informal talks are Barton; Vice Chairman Charles W. "Chip" Pickering Jr., R-Miss.; ranking Democrat John D. Dingell of Michigan; Fred Upton, R-Mich., chairman of the subcommittee on Telecommunications and the Internet; and Edward J. Markey of Massachusetts, the subcommittee's ranking Democrat.

"This is the beginning of a conversation at the member level, where we can explain our positions, understand each other's goals for the bill and duly consider what consequences different proposals

Sen. Tom McClintock, Orange County Supervisor Chris Norby, and Jon Coupal, President of the Howard Jarvis Taxpayers Association, submitted two measures last week, one of which is also sponsored by Assemblymember Doug LaMalfa. A third was filed this week signed by Douglas Adams McNea and Karin Annette Hipona. McNea is a Republican candidate for the 16th Congressional District. Hipona is a trustee with the Jefferson Union High School District in San Mateo County.

The common thread in these measures is that they are attempting to capitalize on the issue raised in the U.S. Supreme Court case, *Kelo v. Town of New London*, to make broad, sweeping changes in property rights law that would favor landowners over public investment.

- **Homeowners and Private Property Protection Act of 2006.** The first of the McClintock/Norby/Coupal measures, this initiative would make sweeping changes to the calculation of just compensation. It defines the terms "taken" and "damaged" to include any action that reduces the use of property in whole or in part and would require compensation for these actions. It also includes a prohibition regulating resale and rental programs that would effectively transform most inclusionary housing programs into compensable takings. Additionally, it includes a limited reacquisition right and requires attorneys' fees when a court or jury awards a value that is higher than the original offer.

- **California Property Owner Protection Act.** The second McClintock/Norby/Coupal measure focuses more on the means of compensation, providing that condemnation for economic development must be conditioned on the owner's permission. The measure also goes beyond that, by applying additional conditions to **ALL** eminent domain actions. It includes provisions for an owner's perpetual right of reacquisition, requiring attorneys' fees when the agency's original offer is lower than a court award, and makes these changes retroactive to June 23, 2005, (the date of the *Kelo* decision).

Continued on Page 5

Continued on Page 6

TELECOM IN THE NEWS from page 1.....

The League plans to run "Telecom in the News" in Priority Focus at least every other week, to spotlight events and trends of interest to city officials.

BellSouth Withdraws Donation Over Wireless Network

In New Orleans, La., BellSouth Corp. has withdrawn an offer to donate one of its buildings in the area that would have served as the new police headquarters.

According to city officials, BellSouth was angered over New Orleans' plan to unveil a city-owned wireless Internet network that would bring high-speed Internet service for free to homes and businesses in New Orleans, in an effort to jump-start resettlement and relocation in the city.

For the complete story, visit www.washingtonpost.com and search for the article titled "Angry BellSouth Withdrew Donation, New Orleans Says."

Lafayette Mayor Claims Phone Company Trying to Hinder Broadband Plan

Local officials in Lafayette, La., have become frustrated with the alleged efforts of BellSouth to block the city's plan to build an advanced broadband network.

In an article run by *USA Today*, Gene Kimmelman of Consumers Union commented that the blockage of municipal governments from entering the broadband market would have adverse effects on the ability of citizens to afford high-speed Internet services.

For the complete story, visit www.usatoday.com and search for the article titled "Bells Dig in to Dominate High-Speed Internet Realm."

Verizon Calls N.J. Legislation a 'Barrier to Entry'

Recently, New Jersey introduced the first draft of A4430 – a bill aimed at authoring a statewide franchise for certain providers of cable-television ser-

vices, and specifies that a complete telecommunications buildout of the state would be required in six years.

Verizon Communications, which had lobbied New Jersey for the bill, now considers the current draft to be a barrier to entry.

For the complete story, visit www.multichannel.com and search for the article titled "Surprise for Verizon in N.J."

Poll Shows N.J. Residents Prefer Local Cable Franchises

In a recent poll conducted by Penn, Schoen, & Berland for the New Jersey Cable Telecommunications Association, 68 percent of New Jersey residents are not interested in cable television competition if it requires payment of Verizon's cable tax through higher franchise fees.

In addition, 75 percent of the poll respondents said they preferred local cable franchises over statewide cable television franchises.

For the complete story, visit www.prnewswire.com and search for the article titled "New Poll Shows New Jersey Residents Strongly Reject Verizon's Cable Tax."

WiMax to be Tested in Taiwan

WiMax, a technology intended to provide users with wireless, high-speed Internet access at much greater distances than Wi-Fi, will be tested in Taiwan.

Intel has agreed to work with the country to develop the technology, and test it on an island-wide basis.

For the complete story, visit www.pcworld.com and search for the article titled "Taiwan Tests Island-Wide WiMax."

TELECOM LAW from page 3

may have for our local communities, consumers and competition," Markey said.

The negotiations to write a third draft bill are expected to focus in large part on whether franchising rules should apply to new broadband video services. The Bell companies are beginning to offer such features over their fiber-optic networks and compete head-to-head with cable television operators.

Aides to several committee members said there is general consensus that new broadband video services should be subject to a national franchise agreement, rather than the local franchise agreements that now govern cable companies.

The Bells say that being forced to negotiate franchise agreements on a city-by-city or county-by-county basis could delay the roll out of new broadband video services.

But lawmakers are still arguing over how to define broadband video service and under what conditions a national franchise should be allowed. Members also are debating whether cable TV operators should also be able to obtain a national franchise in certain circumstances.

"There is a parity issue here that we are trying to resolve," Pickering said.

In addition, Democrats want to ensure that municipalities, which fear losing their franchising powers, would still be able to require video operators to provide channels for public, educational and government use and communications networks for police officers, firefighters and other local officials.

Democrats also are pushing for tougher language on "Net neutrality" -- a stipulation that broadband providers cannot block customers from accessing certain Web sites and services. Democrats have warned that without such protections, broadband companies could prevent customers from accessing online services, such as

phone or video, offered by their competitors. Virginia Democrat Rick Boucher, a member of Upton's subcommittee, said some Internet companies, including Google Inc. and Yahoo Inc., also are concerned that broadband providers could charge them a toll to reach Web users.

There is widespread support for a "Net neutrality" provision, but members are still debating what exceptions should apply to ensure that broadband providers can keep their networks secure, prevent users from hogging bandwidth and offer services such as spam filters.

Democrats are also pushing for language that would require broadband providers to make high-speed Internet access widely available, and not just roll out their services in lucrative urban and suburban markets.

Source: CQ Today

This story was reprinted with permission. Author: Joelle Tessler, CQ staff, with contributions from Amol Sharma.

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EMINENT DOMAIN from page 3

• **The California Eminent Domain Limitations Act.** The McNea/Hipona measure requires a jury to determine just compensation before a taking of private property through eminent domain, and prohibits taking private property for economic development purposes. It includes within the definition of "economic development" takings, "to increase tax revenue, tax base, employment, housing density, or general economic health."

Measures Could Undermine Housing Efforts, Encourage Sprawl

The likely effect of these proposals — if they qualify for the ballot and are approved by the voters — could be to significantly limit efforts by cities and redevelopment agencies to revitalize blighted areas, thereby condemning many economically stressed neighborhoods to a continuing downward spiral. The measures could make it much harder to build in-fill projects, and thus could force new housing growth into surrounding open space and farmland.

Taken as a whole, these measures all forward a substantial reconstruction of eminent domain that would significantly undermine the ability of the state and local governments to make public investments in roads, schools, housing and other essential infrastructure. In other words, they go well beyond the issue raised in *Kelo*, which was the extent to which land could be taken as part of a broader economic development plan.

The League of California Cities will not consider adopting a formal position on these or other measures until they have actually qualified for the ballot. (See "How an Initiative Gets to the Ballot".)

HOW AN INITIATIVE GETS TO THE BALLOT

Filing initiatives with the Attorney General (AG) is the first required step leading to qualifying a measure for a statewide ballot. The AG's office has to prepare a "title and summary" of the primary points and purpose of the initiative which are returned to the sponsors and sent to the Secretary of State. This language is then used to print petitions that will be circulated for signatures by registered voters. Signatures collected will then be filed with appropriate county officials who determine the total number of valid signatures on the petitions and report that to the Secretary of State.

The Secretary of State will then determine whether the total number of signatures is sufficient to qualify the initiative for the ballot. The sponsors' goal will likely be to collect about 1 million signatures to assure enough valid signatures are on the petitions to qualify any of the measures.