

1 [Supporting Assembly Bill 155 (Mendoza), a bill to prevent unnecessary municipal
2 bankruptcies.]

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4 **Resolution supporting Assembly Bill 155 (Mendoza) to prevent unnecessary municipal**
5 **bankruptcies in California.**

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7 WHEREAS, The Board of Supervisors of the City and County of San Francisco has an
8 interest in protecting California taxpayers from the effects of an ill-advised bankruptcy; and

9 WHEREAS, Although these are tough economic times and cities across California are
10 now discussing bankruptcy as a possible option, San Francisco has remained solvent through
11 the leadership of the Mayor and Board of Supervisors; and,

12 WHEREAS, Municipal bankruptcies are devastating to entire communities, resulting in
13 declining property values, a depressed business climate, and threats to service delivery and
14 job security; and,

15 WHEREAS, It is unfair to the citizens and businesses of any community to allow a
16 municipal bankruptcy to be entered into when it is not necessary; and,

17 WHEREAS, Federal law provides that each state may determine whether cities and
18 counties have access to bankruptcy protection; and,

19 WHEREAS, California is one of just eleven states that provides a blanket authorization
20 for municipal bankruptcies without any standards (Government Code Section 53760), while
21 two states specifically ban municipal bankruptcies; and,

22 WHEREAS, A total of 39 states either prohibit municipal bankruptcies or require
23 municipalities to meet certain criteria prior to filing; and,

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1 WHEREAS, In the absence of clear standards or oversight, local elected officials
2 considering bankruptcy and the communities impacted by such a bankruptcy have little
3 guidance about whether it is merited or necessary; and,

4 WHEREAS, Clear standards will protect taxpayers from the effects of an ill-advised
5 bankruptcy and will help city and county elected officials make the most responsible decisions
6 for the communities they represent; and,

7 WHEREAS, Assembly Member Tony Mendoza introduced Assembly Bill 155 on
8 January 26, 2009 to address this issue; and,

9 WHEREAS, Assembly Bill 155 is on file with the Clerk of the Board of Supervisors in
10 File No. 090890 , which is hereby declared to be a part of this resolution as if set forth fully
11 herein; and

12 WHEREAS, Assembly Bill 155 passed the Assembly with both San Francisco
13 Assembly Members in support and now heads to the State Senate; now, therefore, be it

14 RESOLVED, That the San Francisco Board of Supervisors supports Assembly Bill 155
15 (Mendoza) and urges its swift passage and enactment by the Governor; and, be it

16 FURTHER RESOLVED, That a copy of this resolution be forwarded to the Mayor with
17 a request that he transmit copies to the members of the state legislative delegation
18 representing San Francisco.