

311-09

FILE NO. 090890

RESOLUTION NO.

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

3
4 **Resolution supporting Assembly Bill 155 (Mendoza) to prevent unnecessary municipal**
5 **bankruptcies in California.**

6
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,

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.



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails

Resolution

File Number: 090890

Date Passed:

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

July 14, 2009 Board of Supervisors — CONTINUED

Ayes: 11 - Alioto-Pier, Avalos, Campos, Chiu, Chu, Daly, Dufty, Elsbernd, Mar, Maxwell, Mirkarimi

July 21, 2009 Board of Supervisors — ADOPTED

Ayes: 8 - Alioto-Pier, Avalos, Campos, Chiu, Dufty, Mar, Maxwell, Mirkarimi

Noes: 2 - Chu, Elsbernd

Absent: 1 - Daly

File No. 090890

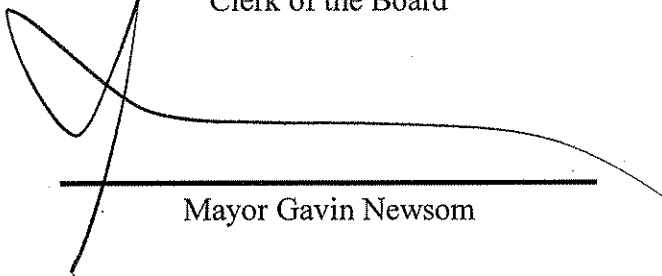
I hereby certify that the foregoing Resolution was ADOPTED on July 21, 2009 by the Board of Supervisors of the City and County of San Francisco.



Angela Calvillo
Clerk of the Board

7/30/2009

Date Approved



Mayor Gavin Newsom