October 18, 2016

To: Region 9 Members

From: Jay H Higgins, P.E., ENV SP, F.ASCE
Region 9 Director

Re: November Ballot Initiative - Prop 53 Opposition Position

Region 9 represents over 18,000 California members of the American Society of Civil Engineers. The Region 9 Board of Governors has voted to oppose the November ballot initiative Prop 53 (also referred to as “No Blank Checks Initiative”). The Board is requesting the Region 9 members vote “No” on Prop 53. Also, please encourage your family and friends to vote No.

This initiative, if approved in November would require statewide voter approval before any revenue bonds can be issued or sold by the state for projects that are financed, owned, operated, or managed by the state or any joint agency created by or including the state, if the bond amount exceeds $2 billion.

Currently, state law requires voter approval for general obligation bonds, which are financed by taxpayers through the general fund. In contrast, revenue bonds are approved by the legislature or state agencies and they are repaid through revenues generated by the project, such as road user fees or bridge tolls. State’s taxpayers are not responsible for the repayment of the debt associated with revenue bonds.

Prop 53 appears to be targeting large statewide infrastructure projects funded by revenue bonds. However, its definition of a single “project” is not clear and it could potentially impact many smaller infrastructure projects by combining all related construction efforts into its definition of a “project”. In addition, by requiring voter approval for projects in statewide elections, which are held every two years, this measure could result in significant delays and additional costs in building essential infrastructure for the state.

In addition, this initiative includes a mandatory legal defense section, creating an independent legal counsel “to faithfully and vigorously defend” it on behalf of the State of California, in case of a legal challenge alleging a violation of federal law and once the Governor and the Attorney General use their power under the state law not to defend the initiative against such lawsuit alleging federal law violation. The initiative further requires the state to continuously fund such independent counsel for as long as needed to defend its provisions.

ASCE has great respect for the California initiative process and the general wisdom of its voters. However, we believe the Prop 53 initiative will seriously damage the state’s ability to fund new infrastructure investments and negatively impact the state’s economy and future.

Please vote No on Prop 53.