YES on 53
Stop Blank Checks

FREQUENTLY ASKED QUESTIONS

What will the Proposition 53 do?

Proposition 53 will give Californians the right to vote on state revenue bonds for major projects that cost more than $2 billion. Specifically, Proposition 53 will bring much needed accountability and transparency to deficit spending by requiring state officials to show voters the actual costs and benefits of large state projects that will cost billions of dollars in debt to fund.

What is the difference between general obligation bonds and revenue bonds?

General obligation bonds are guaranteed by the state government's full faith and credit and generally repaid using the state's general tax revenues. Voter approval is required.

Revenue bonds are a form of long-term borrowing state agencies use to finance projects. They are not guaranteed directly by the state's taxing powers, but rather are repaid using designated funding streams, such as bridge tolls, water rates, etc. Voter approval is not required.

How much bond debt has California issued?

Recently, California has relied on debt financing rather than pay-as-you-go spending. California has issued more than $50 billion in revenue bond debt over the last 20 years.

What is the current state bond debt balance owed by California taxpayers?

The state owes $157 billion in general obligation bond and revenue bond debt, which includes principal and interest.

What types of projects will Proposition 53 affect?

Only state projects that exceed $2 billion in revenue bonds will require voter approval. For instance, California's high-speed rail project (the bullet train) is considering the use of revenue bonds for financing. Voters approved $9.95 billion in general obligation bonds, but the project is now estimated to cost $68 billion.

Who currently authorizes revenue bonds?

Numerous state agencies (with unelected, appointed board members) have the power to issue billions in state revenue bonds without any vote by the Legislature or the people.

Does Proposition 53 affect local government borrowing?

The initiative only requires voter approval for state revenue bonds of $2 billion or more. Local government borrowing is not affected.

Are there other jurisdictions that require voter approval before issuing revenue bonds?

Yes. The following jurisdictions require voter approval before issue some or all types of revenue bonds: Arkansas, Louisiana, Washington, Oregon, Arizona, the City of Santa Clara, CA, the City of San Diego, CA and the City of Austin, TX.

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