



STORMWATER FINANCE SOLUTIONS FACT SHEET

Name of Solution:

Proposition 68

Type of Solution:

Proposition

Location:

State of California

Website:

bondaccountability.resources.ca.gov/p68.aspx

PROPOSITION 68 – STATE OF CALIFORNIA

HISTORY:

On June 5, 2018, California voters passed a general obligation bond pursuant to Division 45 (commencing with Section 80000) of the Public Resources Code, relating to a drought, water, parks, climate, coastal protection, and outdoor access for all programs. Placed on ballot by Senate Bill 5 of 2018.

ABOUT:

Proposition 68 authorized \$4 billion in general obligation bonds for state and local parks, environmental protection and restoration projects, water infrastructure projects, and flood protection projects. Assuming a 3.5 percent interest rate over a 30-year period, the bond issue was projected to generate \$2.53 billion in interest, meaning the state was expected to spend \$6.53 billion to pay off the bond issue. In California, the state sells general obligation bonds to investors, who are in effect providing funds to the state that the state repays the investors with interest over a period of time. The state repays bondholders through revenue in the General Fund. The California Constitution requires that general obligation bond issues of \$300,000 or more be referred to voters for approval or rejection.

