

Legislation and Communications Committee



Express opposition to Initiative 1935: The Taxpayer Protection and Government Accountability Act and express support for ballot measure ACA 13: Voting thresholds

June 10, 2024

Item 7-9

Proposed Initiative 1935 & Ballot Measure ACA 13

Subject

Express opposition to Initiative 1935: The Taxpayer Protection and Government Accountability Act and express support for ballot measure ACA 13: Voting thresholds; the General Manager has determined that the proposed actions are exempt or otherwise not subject to CEQA

Purpose

Seek Board direction on proposed Initiative 1935 and ballot measure ACA 13, which are both constitutional amendments dealing with local government revenue measures; scheduled to appear on the November 2024 ballot

Proposed Initiative 1935

Initiative 1935: The Taxpayer Protection and Government Accountability Act

Sponsor

- California Business Roundtable

Summary: Proposes to amend the California Constitution to change the rules for how the State and local governments impose taxes, fees, and charges.

Contingent upon the qualification deadline (June 27) and legal challenge

Initiative 1935: The Taxpayer Protection and Government Accountability Act

Key Provisions

- Applies retroactively to January 1, 2022
- Broadens definition of taxes
- Requires state election for all state taxes, as defined
- Requires legislative action for any state revenue measures
- Requires two-thirds vote for citizen-initiated special local taxes
- Prohibits “advisory measures” on same ballot as general tax measures

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Proposed Initiative 1935

Impacts on Metropolitan & Member Agencies

- Puts at risk any fees, rates and charges adopted since January 1, 2022 by the State or local agencies
- Fees, rates and charges would have to be reinstated consistent with Initiative provisions within 12 months to remain legal
- Requires a local ordinance be passed for all local exempt charges
- Prohibits local agencies from placing advisory measures on the same ballot as general tax measure

Proposed Initiative 1935

Impacts on Metropolitan & Member Agencies (continued)

- Requires legislative approval of any state administrative fees potentially delaying essential functions that require state-issued permits
- Any state tax would require ratification by a statewide majority vote

Proposed Initiative 1935 & Ballot Measure ACA 13

ACA 13: Voting thresholds

Sponsors

- California School Employees Association (CSEA), AFL-CIO
- SEIU California

Summary: Requires a ballot measure, including Initiative 1935, to pass with the same voting threshold requirement it is proposing

ACA 13: Voting thresholds

Key Provisions

- Requires a ballot measure, including Initiative 1935, to pass with the same voting threshold requirement it is proposing
- Allows advisory measures on same ballot as general tax measures

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Benefits to Metropolitan & Member Agencies

- Protects Metropolitan and member agencies by requiring a ballot measure, including Initiative 1935, to pass with the same voting threshold requirement it is proposing
- Allows local agencies to place advisory measures on the same ballot as general tax measures

Supporters & Opposition

Proposed Initiative 1935

Support (partial)

California Business Roundtable (sponsor)
California Chamber of Commerce
Howard Jarvis Taxpayer Association

Opponents (partial)

ACWA
AFSCME California
California Alliance for Jobs
California State Association of Counties
League of California Cities
California Special Districts Association

Ballot measure ACA 13

Support (partial)

SEIU California (co-sponsor)
California School Employees Association,
AFL-CIO (co-sponsor)
ACWA
CMUA
Three Valleys Municipal Water District

Opponents (partial)

California Business Roundtable
California Chamber of Commerce
Howard Jarvis Taxpayer Association

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Arguments in Support of Initiative 1935 & Opposition to ACA 13

- Californians are overtaxed, and taxes are part of the reason for rising cost of living
- Californians are subject to hidden fees and charges
- Proponents of Initiative 1935 argue it increases voter control over revenue measures and provides increased transparency
- Opponents of ACA 13 oppose removing the two-thirds supermajority vote requirement for initiatives

Proposed Initiative 1935 & Ballot Measure ACA 13

Options

Option #1

- Express opposition to Initiative 1935: The Taxpayer Protection and Government Accountability Act and express support for ballot measure ACA 13: Voting thresholds; the General Manager has determined that the proposed actions are exempt or otherwise not subject to CEQA

Option #2

- Take no action

Staff Recommendation

Option #1

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