Legislation and Communications Committee

Overview of Proposition 43: A Constitutional Amendment on Local Taxes

Item 9-2

September 15, 2026

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Item 9-2 Summary

Subject

Overview of Proposition 43: Assembly Constitutional Amendment Number 22 on Local Taxes: Limitation

Purpose

To provide a report on a legislative constitutional amendment that, should it pass, will change the vote threshold needed to pass voter-led local tax initiatives

Prop 43 Overview

Proposition 43 (ACA 22) Key Provisions

- Constitutional amendment on the November 2026 ballot
- Increases the vote threshold for passage of local special taxes proposed by *voter initiative* to two-thirds of the electorate, instead of a majority vote
- Pertains to local special taxes
- Does not apply retroactively

Prop 43: Legislative and Judicial History

Background / History

- Road to the 2026 ballot starts with a 2017 California Supreme Court decision:
  - *Ca. Cannabis Coalition v. City of Upland allowing for voter-led initiative to pass by majority vote*
- Several voter initiatives imposing local special taxes pass with majority votes
  - Los Angeles: Measure ULA 2022 (58%)
  - San Francisco: Proposition C 2018 (61%)

Prop 43: Legislative and Judicial History

Background / History (cont'd)

- Additional court challenges affirm *Upland* allowing for voter-led initiatives to pass by majority vote
- Howard Jarvis Taxpayers Association qualifies ballot measure to negate *Upland*
- Legislature responds: Assembly Constitutional Amendment (ACA) 13
- Compromise deal reached: ACA 22

Prop 43: Impacts

Impacts on Metropolitan

- Special taxes proposed by Metropolitan are already subject to a 2/3 vote requirement under current law
- Metropolitan and its member agencies will face a higher threshold for passage of voter-led special tax initiatives

Prop 43: Proponents

Proponents Arguments

Coalition of taxpayer advocacy groups and business interest groups

- Restore the original intent of voter-approved taxpayer protections
- Prevent tax increases on Californians already facing high cost-of-living and high taxes
- Empower voters to prevent special interest groups from using the ballot to fund their priorities

Prop 43: Opponents

Opponents Arguments

Coalition of public safety professionals and organized labor unions

- Empowers one-third of voters to block the majority of a community's voters
- Diminish the ability of communities to raise funding for critical community services such as police and fire
- Higher barrier for communities to invest in parks, schools, and infrastructure repairs

THE METROPOLITAN WATER DISTRICT OF
SOUTHERN CALIFORNIA
1928