

**STOP** THE TAXPAYER  
DECEPTION ACT  
**PROTECT LOCAL SERVICES**

**Impacts on California Local  
Governments**

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Ad Paid for by Protecting Local Democracy and Vital Services, a Committee Opposed to Initiative 1935

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# Background

- **Proponent:** California Business Roundtable (CBRT)
  - Comprised of major corporations including developers, oil, insurance, pharmaceutical companies and more.
- Eligible for **November 2024 statewide ballot**.



# Overview of Measure

- Significantly threatens local control.
  - Jeopardizes **state and local government funding by billions** annually.
  - **Upends local government tax and fee authority.**
  - Opens the door to **countless lawsuits against cities.**

# Fiscal Impact: Cal Cities Analysis

- Over \$20 billion of local government revenues over 10 years at risk.
- \$2 billion each year from fees and charges adopted after January 1, 2022, at risk.
- Hundreds of millions of dollars of annual revenues from tax and bond measures approved by voters after January 1, 2022, cancelled.



# Threatens Local Control

- **Taxes and fees adopted after January 1, 2022, that do not comply with the new rules are void.**
- **More difficult for voters to approve funding for local services.**
- **All future taxes must contain a sunset**
  - Measures passed after January 1, 2022 without sunset will be repealed.
  - General tax measures will also require the phrase “for general government use” on the ballot.
- City charters may not be amended to include a tax or fee.

# Threatens Local Control

- Fee increases **need to be approved by two-thirds** of local legislative body.
- Fees and charges **may not exceed the “actual cost”** of providing service.
  - “Actual cost” defined as the “minimum amount necessary”
- Fees and charges for corporations to use or lease government property can no longer be market-based.
- Prohibits vehicle miles traveled fees on new developments.

# Threatens Local Control, *cont.*

- Rate schedule revisions and regular adjustments to city fees and charges **subject to higher passage thresholds and potential voter approval.**

## *Examples of Impacted Fees and Charges*

- Property development application processing fees
- Plan review
- Gas and electricity service charges
- Parks and Recreation classes and lessons
- Child care services
- Jail booking fees
- Copies of police reports
- Emergency services fee
- Building permit fees
- Sales tax audits
- Abatement of weeds on private property

- Conducting inspections of rental housing
- Fire inspections
- Fines and penalties for administrative Code enforcement
- Charges for specific health care services
- Lease of city museum to non-profit organization
- Use of Council Chambers by private groups
- Use/lease of city-owned convention center
- Use/lease of city-owned park or other recreation area
- Charges imposed as a condition of property development

# Also Upends State Tax & Fee Authority

- All state taxes **require majority voter approval.**
- **Requires two-thirds legislative approval** of certain state fees.
- **Changes legal standards** for proving a state charge is a fee and not a tax.





# Groups Opposed to Measure

- League of California Cities
- Alliance for a Better California
- California Alliance for Jobs
- Rebuild SoCal Partnership
- California State Association of Counties
- California Special Districts Association
- California Contract Cities Association
- **And 250+** individual cities, counties, and districts



California Special  
Districts Association  
*Districts Stronger Together*



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# Other Things to Know

- **Legal challenge recently filed** by Governor and Legislature.
- **ACA 13 also on November 2024 ballot.**
  - If passed by more votes, would require higher threshold for passage of this measure (two-thirds vote)

POLITICOPRO

Newsom and Legislature ask California Supreme Court to nix tax-limiting ballot initiative

BY JEREMY B. WHITE | 09/26/2023 06:05 PM EDT

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# Get Involved

- **Pass resolution in opposition.**
- **Educate constituents about measure.**
  - Advocate on personal, private time, not government time.
- **Urge other city officials and local organizations to join coalition.**
- **Contact your League of California Cities Regional Manager.**

## SIGN UP TO OPPOSE THE TAXPAYER DECEPTION ACT!

*When signing up to oppose the measure, please use your personal, non-work information and refrain from using a public account, city resources or devices.*

I AM SIGNING UP AS:

An Individual  An Elected Official

\*First Name

\*Last Name

Title

\*City

\*Email

Mobile

JOIN THE COALITION

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# Discussion & Questions

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