ACA 9 – GOVERNMENT REFORM – LOCAL ACCOUNTABILITY

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IN BRIEF

Amends the California constitution to lower the voter threshold to 55% for approval of special taxes at the local level.

BACKGROUND

Like the state, local governments have been severely impacted by the real estate crash, the mortgage foreclosure crisis, and the general economic downturn. For many communities around the state, the quality, and indeed the viability of critical services like police and fire protection, schools, libraries, parks, road maintenance, and flood control will be in jeopardy without additional revenues. Yet to secure essential funding for these services, local governments face the daunting prospect of bringing a special tax measure to the voters and winning two-thirds approval. Such measures often fail despite being supported by a strong majority of the community.

Ironically, only a bare majority vote is required when local governments seek to raise taxes without a specific purpose – i.e. a "general" tax. This seemingly backward policy provides a lower vote threshold for measures that offer no details or assurances regarding how tax dollars will be spent, and a prohibitively high threshold when local government targets a specific need with a narrowly-tailored expenditure plan. The result for many communities is that a small minority of voters are empowered to thwart solutions to critical needs like emergency services, public safety, and education.

In 2000, California voters approved Proposition 39, which lowered the vote threshold to 55% for local taxes used to finance the construction of school facility improvements. Voters understood the need to make investments in schools.

According to the PPIC publication "Paying for Infrastructure: California's Choices", we can see how recent history suggests that loosening the super-majority rules can affect local infrastructure funding. While California witnessed a dramatic increase in local capital support for K-12 and community college facility funding after Prop 39 was passed in 2000, passage rates and the number of ballot measures for other infrastructure measures which generally require a two-thirds vote remained stagnant. The experience with Prop 39 suggests much more room for improvement within a finance system that relies on *direct voter approval* of revenue measures. In particular, lowering the two-thirds threshold for all special taxes would maintain the safeguards of a supermajority vote for new fiscal obligations while improving California's ability to fund essential local infrastructure.

EXISTING LAW

Under existing law, the California Constitution requires a two-thirds voter-approval requirement for the imposition of new special taxes imposed by a city, county, or special district.

Constitutional amendments require a two-thirds vote of the Legislature and then requires a majority of statewide voter approval before the Constitution can be amended.

THE SOLUTION

To fund local needs, including public safety, emergency services, transportation, affordable housing and school operations, this measure brings the conversation back to the voters to decide how to fund local investments.

Specifically, ACA 9 amends the California Constitution to change the two-thirds voter-approval requirement for special taxes to 55%.

This measure also amends the Constitution to create an additional exception to the 1% limit for a rate imposed by a city, county, or special district to service bonded indebtedness to fund public service improvements and facilities that is approved by 55% of the voters.

Any city, county or special district that passes a measure to fund bond-indebtedness must meet certain accountability requirements, including an independent

financial audit and a requirement for a public process that solicits public comment on the types of facilities that should be funded.

SUPPORT

Association for Los Angeles Deputy Sheriffs
California Association of Councils of Governments
California League of Cities
California Professional Firefighters
California Public Securities Association
California Special Districts Association
California State Association of Counties
California Teachers Association
California Transit Association
City of Orinda
County of Marin
Joint Legislative Advisory Committee of Marin County School
East Bay Municipal Utility District
Peace Officers Research Association of California
Regional Transit
Riverside Sheriffs' Association
Santa Clara Valley Water District
Santa Cruz County Regional Transit Commission
Solano Transportation Authority
Transportation Authority of Marin County

OPPOSITION

California Association of Realtors

FOR MORE INFORMATION

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