



## Legislation Text

File #: 2017-186, Version: 1

### Report to Mayor and City Council

Tuesday, March 21, 2017

Consent

#### **SUBJECT:**

**CONSIDER SUPPORTING PASSAGE OF ASSEMBLY BILL 195 WHICH PROMOTES TRANSPARENCY IN BALLOT LABELS FOR TAX INCREASES (CITY COUNCIL)**

#### **I. SUMMARY**

AB 195 promotes transparency in ballot labels for proposed tax increases sent to voters for approval. A letter in support of passage of AB 195 (as amended) has been submitted by Mayor Robles to the Legislature. City Council is asked to consider supporting AB 195 passage through endorsing the support letter.

#### **II. RECOMMENDATION**

CONSIDER a CITY COUNCIL ENDORSEMENT of the attached letter which supports passage of Assembly Bill 195 (as amended).

#### **III. ALTERNATIVES**

TAKE any other action the City Council deems appropriate.

#### **IV. BACKGROUND**

Last year the City of Carson and six other cities in Los Angeles County took legal action seeking transparency in the ballot label for an annual County sales tax increase of \$860,000,000 (Measure M) proposed by Los Angeles County Metropolitan Transportation Authority (MTA).

Specifically, the lawsuit sought compliance by MTA with the new requirements of Election Code § 13119(b) which mandates that ballot labels for proposed tax increases include “the amount of money to be raised annually and the rate and duration of the tax to be levied.”

Election Code § 13119 was amended by AB 809 in 2015 to require that the ballot label for a tax increase include the rate of the tax increase, its duration, and the amount of revenue

to be raised. It was the intention of the author that this information apply to all local tax measures.

A trial court judge in the lawsuit ruled (among other items) that a technicality in the law did not require MTA to disclose in the ballot label that the annual sales tax increase would be approximately \$860,000,000. The trial court held that Election Code § 13119(b) only applied to tax measures placed on the ballot by citizen's groups, and did not apply to tax measures placed on the ballot by local government entities.

Assembly Bill 195 seeks to fix this problem by clearly and definitively requiring that all tax increases sent to the voters for approval must include the tax rate, duration and estimated revenue to be generated.

## **V. FISCAL IMPACT**

None.

## **VI. EXHIBITS**

1. Letter of Support for Passage of AB 195 (pages 3-4).
2. AB 195 Fact Sheet from Assemblyman Obernolte (page 5).
3. Proposed amendments by AB 195 to Election Code §13119 (page 6).

Prepared by: Chris F. Neumeyer, Assistant City Attorney