



CITY OF CARSON

Legislation Text

File #: 2022-117, Version: 1

Report to Mayor and City Council

Tuesday, March 01, 2022

Consent

SUBJECT:

CONSIDER A REQUEST FROM THE LEAGUE OF CALIFORNIA CITIES FOR THE CITY OF CARSON TO ADOPT A RESOLUTION IN OPPOSITION TO A STATE OF CALIFORNIA BALLOT MEASURE RESTRICTING VOTERS' INPUT AND LOCAL TAXING AUTHORITY (CITY COUNCIL)

I. SUMMARY

This item transmits a request from the League of California Cities ("Cal Cities") to the Carson City Council to adopt a resolution in opposition to a proposed ballot measure initiated by the California Business Roundtable (the "Roundtable").

This current effort by the Roundtable is similar to a previous measure from 2018 called the "Tax Fairness, Transparency and Accountability Act" that was being circulated to qualify for the November 2018 ballot. This initiative would have drastically limited local revenue authority. However, the measure's proponents withdrew this initiative from the ballot in June 2018.

On Jan. 4, 2022, the Roundtable filed the Taxpayer Protection and Government Accountability Act or AG# 21-0042A1. According to the League of California Cities, this measure is far more detrimental to cities than the measure filed in 2018 because it would harm vital local and state services to the benefit of corporations. Cal Cities, along with a broad coalition of local governments, labor and public safety leaders, infrastructure advocates, and businesses strongly oppose this initiative.

Staff has prepared Resolution 22-029, included as Exhibit 1, for City Council consideration. Exhibit 2 includes summary materials from Cal Cities. Exhibit 3 includes the Title and Summary, initiative text, and the California Legislative Analyst's Office report on this measure.

II. RECOMMENDATION

1. ADOPT Resolution 22-029 in opposition to Initiative 21-0042A1, the Taxpayer Protection and Government Accountability Act.

2. AUTHORIZE staff to transmit a copy of the fully executed Resolution 22-029, if adopted by City Council, to the League of California cities.

III. ALTERNATIVES

TAKE another action deemed appropriate by the City Council and that is consistent with applicable laws.

IV. BACKGROUND

As Cal Cities has indicated, the proposed Taxpayer Protection and Government Accountability Act limits voters' authority, adopts new and stricter rules for raising taxes and fees, and makes it more difficult to hold violators of state and local laws accountable.

A summary of the anticipated impacts from this initiative are included below:

1. Limit voter authority and accountability

- Limits voter input. Prohibits local voters from providing direction on how local tax dollars should be spent by prohibiting local advisory measures.
- Invalidates the City of Upland decision that allows a majority of local voters to pass special taxes. Taxes proposed by the Initiative are subject to the same rules as taxes placed on the ballot by a city council. All measures passed between January 2022 and November 2022 would be invalidated unless reenacted within 12 months.

2. Restrict local fee authority to provide local services

- Impacts franchise fees. Sets new standard for fees and charges paid for the use of local and state government property. The standard may significantly restrict the amount oil companies, utilities, gas companies, railroads, garbage companies, cable companies, and other corporations pay for the use of local public property. Rental and sale of local government property must be "reasonable" which must be proved by "clear and convincing evidence."
- Except for licensing and other regulatory fees, fees and charges may not exceed the "actual cost" of providing the product or service for which the fee is charged. "Actual cost" is the "minimum amount necessary." The burden to prove the fee or charge does not exceed "actual cost" is changed to "clear and convincing" evidence.

3. Restrict authority of state and local governments to issue fines and penalties for violations of law

- Requires voter approval of fines, penalties, and levies for corporations and property owners that violate state and local laws unless a new, undefined adjudicatory process is used to impose the fines and penalties.

4. Restrict local tax authority to provide local services

- Requires voter approval to expand existing taxes (e.g., UUT, use tax, TOT) to new territory (e.g., annexation) or expanding the base (e.g., new utility service).
- City charters may not be amended to include a tax or fee.
- New taxes can be imposed only for a specific time period.
- Taxes adopted after Jan. 1, 2022, that do not comply with the new rules, are void unless reenacted.
- All state taxes require majority voter approval.
- Prohibits any surcharge on property tax rate and allocation of property tax to state.

5. Other changes

- No fee or charge or exaction regulating vehicle miles traveled can be imposed as a condition of property development or occupancy.

V. FISCAL IMPACT

There is no direct fiscal impact associated with this item because it is solely for the purposes of adopting a Resolution taking a position in opposition to Initiative 21-0042A1, the Taxpayer Protection and Government Accountability Act.

Any information on actual fiscal impacts resulting from this initiative would be brought to City Council separately from this staff report.

VI. EXHIBITS

1. Proposed Resolution 22-029 (pgs. 4 - 6)
2. Summary Materials from the California League of Cities (pgs. 7 - 10)
3. Title and Comment, Initiative Text, and California Legislative Analyst's Office Report (pgs. 11 - 25)

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