

Mammoth Lakes Town Council

Agenda Action Sheet

Title: Resolution Opposing the Taxpayer Protection and Government Accountability Act Ballot Initiative (AG# 21-0042A1).

Council Meeting Date: 2/15/2023

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Recommended Motion: Adopt Resolution opposing the Taxpayer Protection and Government Accountability Act (AG# 21-0042A1).

BACKGROUND

On Feb. 1, 2023, the “Taxpayer Protection and Government Accountability Act,” or AG# 21-0042A1, qualified for the November 2024 ballot. This anti-local control measure will decimate vital local and State services to the benefit of wealthy corporations. The measure is sponsored by the California Business Roundtable (CBRT).

On February 1, 2023, California Secretary of State Shirley Weber issued a memo to all county clerks/registrars of voters announcing that proponents of Initiative 21-0042A1, or Initiative 1935 as now numbered by the Secretary of State, had filed the necessary number of valid signatures to make it eligible for the November 5, 2024 General Election ballot. Proponents now have until June 27, 2024 to consider withdrawing the initiative before the Secretary of State officially certifies it for the ballot.

The following information was provided to the Town by Cal Cities. Town staff has not had time to fully review the proposed Ballot Measure and there are several unknown potential impacts on the Town’s revenues and the applicability of the measure. Based on the initial review staff is recommending the Town oppose the measure. Cal Cities, along with a broad coalition of local governments, labor, public safety, education, and infrastructure advocates, strongly oppose this initiative.

SUMMARY

The initiative limits voters’ authority, adopts new and stricter rules for raising taxes and fees, and may make it more difficult to hold violators of State and local laws accountable.

Effective date

- The act is retroactive. All new or increased taxes or fees adopted by the Legislature, a city council, or the local voters after Jan. 1, 2022, must comply with the Act’s new rules.

State taxes

- All new or increased State taxes will require majority voter approval.

Local taxes

- New requirements for voter approval:
 - o when an existing tax is applied to a newly annexed territory.
 - o when an existing tax is applied to a new service or product, for example when a utility user tax is applied to a new service.

- All new or increased taxes adopted after Jan. 1, 2022, must include a sunset date.

Fees and charges

- Requires that charges for access, use, and rental of government property be “reasonable” such as fees charged for use of government facilities and public works infrastructure to oil companies, utilities, gas companies, cable companies, and other corporations.
- Fees and charges for services and permits 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.” Examples include planning services, excavation and encroachment permits, preparation of candidate statement, and permit parking.
- State and cities have burden of proving by “clear and convincing evidence” that a fee/charge is not a tax, that the amount is reasonable, and that it does not exceed the “actual cost.”
- No fee or charge or exaction regulating vehicle miles traveled can be imposed on new development.

Fines and penalties [administrative enforcement of state law and municipal codes]

- May require voter approval of fines and penalties 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. Examples include nuisance abatement, organic waste reduction requirements, and failure to maintain a vacant property.

Voters

- Local advisory measures are prohibited. No measure may appear on the ballot asking for approval of a general tax that would express the voters' preference for how the tax revenue should be used.
- Overturns Upland decision so taxes proposed by initiative are subject to the same rules as taxes placed on the ballot by a city council.
- Voters may not amend a city charter to impose, extend, or increase a tax or fee.

Fiscal

- Puts approximately \$2 billion from fees and charges at risk each year, subject to legal peril.
- Puts approximately \$2 billion of annual tax revenue at risk. Many tax measures approved between 2022-2024 will need to be resubmitted to voters to comply and be reapproved.