04/16/13

INCREASING THE VOTE THRESHOLD FOR THE APPROVAL OF GENERAL TAXES

THE QUESTION

Should the vote threshold for the approval of local general taxes be increased to two-thirds?

ACTION

Optional.

POSITION

1. Support legislation of others to increase the vote threshold for the approval of local general taxes to two-thirds.
2. Sponsor legislation of others to increase the vote threshold for the approval of local general taxes to two-thirds.
3. Other.
4. Do nothing.

DISCUSSION

The state constitution provides that taxes levied by local governments are either general taxes or special taxes. General taxes are collected for no specified governmental purpose and are subject to majority approval by the voters. Special taxes, however, require approval by a two-thirds vote.

When Proposition 13 was placed on the ballot, Howard Jarvis intended the two-thirds vote threshold for special taxes to apply to <u>all</u> taxes that local governments can impose. However, the state Supreme Court ruled in *City and County of San Francisco v. Farrell* (1982, 32 Cal. 3d 47) that "special taxes" means "taxes which are levied for a specified purpose rather than … a levy placed in the general fund to be utilized for general government purposes."

Consequently, when a special tax is placed on the ballot, the voters are told the purpose for which the tax revenues will be used. On the other hand, the voters are <u>not</u> told the purpose for proposed local general taxes. This appears

to be the opposite of what should be the case. It would seem that if the voters are not told for what purpose the general tax revenues will be used that the vote threshold should be higher than if they are told as with proposed special taxes.

As has been the case in recent years, several measures have been introduced during the current legislative session that would reduce the vote threshold for the approval of special taxes from two-thirds to 55%. The introduction of those measures raises the issue, conversely, of increasing the vote threshold for the approval of local general taxes.

C.A.R. currently has a policy of retaining two-thirds vote thresholds; exceptions (for example, school bond approval) are made on a case-by-case basis. Should the vote threshold for the approval of local general taxes be increased to two-thirds? (However unlikely it may be that legislators will support such an increase.)