



Don't Fall Prey to the California Business Roundtable's Misinformation Campaign

The California Business Roundtable would like you to believe the following about ACA 13:

Claim:

"... a higher voter approval threshold can still be imposed on local taxes in a county, school district, special district, or general law city ... approved by a simple majority of the vote of the statewide electorate."

Fact:

FALSE. The voter approval thresholds for local taxes are found in the Constitution (Articles XIII A and XIII C added by Proposition 13, 218, and 26). A statutory initiative that changed these thresholds (e.g., a two-thirds vote for a general tax) would be unconstitutional. Additionally, current law requires majority voter approval to adopt a statute by initiative. ACA 13 makes no change to the current law. Neither type of city is affected because no change is made.

Claim:

"ACA 13 stands to result in a two-tier system where charter cities are effectively immunized from any new restrictions on their tax and revenue-raising powers, while all other local governments can continue to be subjected to far more stringent revenue raising hurdles."

Fact:

FALSE. This statement reveals a flawed understanding of the municipal affairs doctrine and the authority of a charter city. A state statute about a matter of statewide concern applies to charter cities. For example, a state statute requiring a higher vote threshold to dispose of surplus land would apply to charter cities. This reasoning is internally inconsistent. The Business Roundtable would like to include statutory initiatives in ACA 13 but also argues that those measures do not apply to charter cities.

Claim:

Because general law cities could be subject to a higher vote threshold to raise taxes " ... ACA 13 will lead to equal protection claims, jeopardizing the State's General Funds" and "the courts determined in *Serrano v. Priest*, where disparities in local school funding violated the equal protection clause, the state General Fund can be responsible for remedying this."

Fact:

AGAIN, FALSE. As stated above, it is not possible for general cities to be subject to a higher voter threshold to raise taxes.

Additionally, *Serrano v. Priest* is not relevant. The State of California was responsible for remedying the disparities in local school funding because the State is responsible for providing a system of public schools (Cal Const Article IX, section 5) and is responsible for establishing a system of financing local schools (Article XI, section 6). The State of California is not responsible for providing a system of municipal services and facilities. Nor is it responsible for establishing a system of financing those services and facilities.

Finally, ACA 13 cannot lead to equal protection claims because it's people, not cities, that are protected by the equal protection clause.

You know better, so do better.

Vote "AYE" on ACA 13.