



Published April 10th, 2024

## Town Council opposes November's State Ballot Initiative: Taxpayer Protection and Government Accountability Act

By Vera Kochan

The "Tax Fairness, Transparency and Accountability Act" intended for the November 2018 State Ballot was withdrawn thanks to opposition from the League of California Cities (Cal Cities) and other partners. The bill was supported by the California Business Roundtable (CBRT) and would have impacted local governments' revenue authority.

Another recently filed initiative by the CBRT -- "Taxpayer Protection and Government Accountability Act" -- was certified in February 2023, by the Secretary of State and is eligible for the Nov. 5, 2024, Statewide General Election. According to Moraga Town Manager Scott Mitnick's March 27 staff report, the initiative is "a measure that would amend the California Constitution to change the rules with respect to how the State and local governments may impose taxes, fees, and other charges."

The League of California Cities Regional Public Affairs Manager for the East Bay Division, Sam Caygill, gave a slide presentation during the town council's March 27 meeting, noting that "CBRT is comprised of major corporations including developers, oil, insurance, pharmaceutical companies, and more." The measure, if passed, would allow corporations such as these to pay less than their share, forcing residents and taxpayers to pay more for maintained services.

Mitnick's report stated that Governor Gavin Newsom, the State Legislature, and others filed an emergency petition in September 2023, "for writ of mandate with the California Supreme Court seeking a pre-election review of the 'Taxpayer Protection and Government Accountability Act' and to prevent the initiative from being placed on the November 2024 Ballot. The California Supreme Court did grant a hearing to rule on the petition to withhold the CBRT measure from the ballot." Arguments are set for April, and a decision must be reached by June 27 (the ballot-printing deadline).

Caygill's presentation stated that the measure would significantly threaten local control by reducing state and local government funding by billions annually; would upend local government tax and fee authority; and would open the door to countless lawsuits against cities.

Additionally, Cal Cities' analysis indicated that over \$20 billion of local government revenues over 10 years would be at risk; \$2 billion each year from fees and charges adopted after Jan. 1, 2022 would be in danger; and hundreds of millions of dollars of annual revenues from tax and bond measures approved by voters after Jan. 1, 2022, would be canceled.

The measure would upend local tax authority. Taxes and fees adopted after Jan. 1, 2022, that do not comply with the new rules would be void. Also, it would be more difficult for voters to approve funding for local services; city charters would not be amended to include a tax or fee; and all future taxes would contain a sunset (any measures passed after Jan. 1, 2022, without a sunset would be repealed, and general tax measures would also require the phrase "for general government use" on the ballot).

Also overturned would be local fee authority in that, all fee increases would need approval by two-thirds of a local legislative body; fees and charges for corporations to use or lease government property would no longer be market-based; and fees and charges could not exceed the "actual cost" of providing service ("actual cost" is defined as the "minimum amount necessary").

Caygill provided a list of groups that are opposed to the measure besides Cal Cities. They include California Special Districts Association, Alliance for a Better California, California Alliance for Jobs, California Contract Cities Association, Rebuild SoCal Partnership, California State Association of Counties, and more than 250 individual cities, counties, and districts. Newly added to the list is Moraga, thanks to council members' unanimous approval of a resolution opposing the initiative.

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