

AMENDED IN SENATE MAY 21, 2013

Senate Constitutional Amendment

No. 11

Introduced by Senator Hancock

January 25, 2013

Senate Constitutional Amendment No. 11—A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by amending Section 4 of Article XIII A thereof, ~~and~~ by amending Section 2 of Article XIII C thereof, and by amending Section 3 of Article XIII D thereof, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SCA 11, as amended, Hancock. Local government: special taxes: voter approval.

The California Constitution conditions the imposition of a special tax by a local government upon the approval of $\frac{2}{3}$ of the voters of the local government voting on that tax, and prohibits a local government from imposing an ad valorem tax on real property or a transactions tax or sales tax on the sale of real property.

This measure would instead condition the imposition, extension, or increase of a special tax by a local government upon the approval of 55% of the voters voting on the proposition, *if the proposition proposing the tax contains specified requirements*. The measure would also make conforming and technical, nonsubstantive changes.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

- 1 *Resolved by the Senate, the Assembly concurring,* That the
- 2 Legislature of the State of California at its 2013-14 Regular Session
- 3 commencing on the third day of December 2012, two-thirds of the

1 membership of each house concurring, hereby proposes to the
2 people of the State of California, that the Constitution of the State
3 be amended as follows:

4 First—That Section 4 of Article XIII A thereof is amended to
5 read:

6 Section 4. A city, county, or special district, upon the approval
7 of 55 percent of its voters voting on the proposition, may impose
8 a special tax within that city, county, or special district, except ad
9 valorem taxes on real property or a transactions tax or sales tax on
10 the sale of real property within that city, county, or special district.

11 Second—That Section 2 of Article XIII C thereof is amended
12 to read:

13 SEC. 2. Notwithstanding any other provision of this
14 Constitution:

15 (a) Any tax imposed by any local government is either a general
16 tax or a special tax. A special district or agency, including a school
17 district, has no authority to levy a general tax.

18 (b) A local government shall not impose, extend, or increase
19 any general tax unless and until that tax is submitted to the
20 electorate and approved by a majority vote. A general tax is not
21 deemed to have been increased if it is imposed at a rate not higher
22 than the maximum rate so approved. The election required by this
23 subdivision shall be consolidated with a regularly scheduled general
24 election for members of the governing body of the local
25 government, except in cases of emergency declared by a unanimous
26 vote of the governing body.

27 (c) Any general tax imposed, extended, or increased, without
28 voter approval, by any local government on or after January 1,
29 1995, and prior to November 6, 1996, may continue to be imposed
30 only if that general tax is approved by a majority vote of the voters
31 voting in an election on the issue of the imposition, which election
32 shall be held no later than November 6, 1998, and in compliance
33 with subdivision (b).

34 (d) (1) A local government shall not impose, extend, or increase
35 any special tax unless and until that tax is submitted to the
36 electorate and approved by 55 percent of the voters voting on the
37 ~~proposition. A proposition, and all of the following requirements~~
38 *are met:*

1 (A) *The ballot proposition contains a specific list of programs*
2 *and purposes to be funded, and a requirement that tax proceeds*
3 *be spent solely for those programs and purposes.*

4 (B) *The ballot proposition includes a requirement for annual*
5 *independent audit of the amount of tax proceeds collected and the*
6 *specified purposes and programs funded.*

7 (C) *The ballot proposition requires the governing board to*
8 *create a citizens' oversight committee to review all expenditures*
9 *of proceeds and financial audits, and report its findings to the*
10 *governing board and public.*

11 (2) A special tax shall not be deemed to have been increased if
12 it is imposed at a rate not higher than the maximum rate so
13 approved.

14 Third—That Section 3 of Article XIII D thereof is amended to
15 read:

16 SEC. 3. (a) An agency shall not assess a tax, assessment, fee,
17 or charge upon any parcel of property or upon any person as an
18 incident of property ownership except:

19 (1) The ad valorem property tax imposed pursuant to Article
20 XIII and Article XIII A.

21 (2) Any special tax receiving the approval of 55 percent of the
22 voters voting on the proposition pursuant to Section 4 of Article
23 XIII A.

24 (3) Assessments as provided by this article.

25 (4) Fees or charges for property-related services as provided by
26 this article.

27 (b) For purposes of this article, fees for the provision of electrical
28 or gas service are not charges or fees imposed as an incident of
29 property ownership.