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VOTERS FACE BARRAGE OF STATE AND LOCAL TAX-HIKE MEASURES; LOCAL BALLOTS CONTAIN MORE THAN \$800 MILLION WORTH OF TAXES TO GO WITH \$8.3 BILLION AT THE STATE LEVEL

A California Taxpayers' Association survey of local November 2 General Election ballots throughout California found an onslaught of at least 165 tax increases that would boost local government and school district revenues by more than \$800 million a year.

This is in addition to well-publicized statewide tax hikes linked to statewide propositions: \$500 million a year from the phone tax (Proposition 67) and \$800 million a year (by 2006-07) from the tax on high-income Californians (Proposition 63). If voters approve Proposition 72, the health care insurance mandate, California businesses and employees will pay about \$7 billion.

There's more – many millions of dollars in bond debt payments that will show up on property tax bills of Californians in at least 56 school districts that seek in excess of \$3.36 billion for construction. Also, non-school bonds on the ballot number at least 10 with a total of \$2.5 billion.

With the statewide and local tax measures, Californians would be stuck with \$9.1 billion in additional taxes. And the additional debt load from local bonds would amount to \$5.9 billion for property owners. State general fund debt would climb by more than \$3 billion from passage of Proposition 71, the bond-financed stem cell research measure, and Proposition 61, the \$750 million children's hospitals bond.

There have been ballots with far more statewide bond proposals as well as local ballots with more local school bonds. Hundreds of districts have already taken advantage of Proposition 39 of 2000, which reduced the vote threshold for passage from 66.67% to 55%.

“This barrage of tax measures at the local level probably comes as a surprise to the vast majority of Californians who are only aware of the local tax increase proposal on their particular ballot,” said Larry McCarthy, Cal-Tax president. “The statewide picture shows the tremendous appetites of government at all levels for more tax dollars to spend on programs that often lack accountability. In some cases, the higher taxes are being sought at least in part because city councils or boards of supervisors have

approved overly generous pay and benefit packages, especially pensions, for public employees.”

Cal-Tax staff has conducted an exhaustive survey of local tax measures, using government Web sites, newspaper coverage and contacts with county election officials. Because of a lack of uniformity in reporting amounts of higher taxes, some figures were arrived at by calculating a reported 30- or 40-year revenue impact to come up with an estimate for a one-year impact. A number of tax measures, generally smaller ones, were not included in the totals due to the difficulty of tracking down the numbers. It is interesting how often proponents of tax increases are allowed to omit information on the amount of revenue the new tax will produce. It could be that this information would frighten voters concerned about their pocketbooks.

It is not uncommon, for example, to find a lengthy newspaper editorial in support of a county sales tax for transportation that goes into detail on projects that would be built but never mentioning how much they would cost or how much money the tax would bring in.

Last March, in the statewide primary election, there were about 102 local tax measures, including 65 parcel taxes, on ballots around the state. In November 2002, there were at least 114 local tax measures, 69 of them parcel taxes, on the ballot, plus 127 local bond measures, 104 of them for schools.

Here is a breakdown of 165 local tax measures to be decided by voters on November 2:

- **Parcel Tax: 62** (includes 18 school district measures). They range from a \$12 animal control tax to raise \$144,000 in Paradise (Butte County) to \$112 per parcel at risk of fire in the Windsor Fire Protection District (Sonoma County).
- **Sales Tax: 46** (includes 19 countywide measures of which 10 are for transportation, four are general purpose, two are for public safety, two are for libraries, and one, in Fresno, would raise \$7 million for a zoo.). The largest measure, in Los Angeles County, is a half-cent increase that would raise \$564 million for more law enforcement officers, and tie Alameda County for the highest rate in the state, 8.75%. Ventura County, currently the largest county without a sales tax dedicated to transportation, would change that with a half-cent proposal.
- **Utility Users Tax: 20**
- **Transient Occupancy (Hotel/Motel) Tax: 23**
- **Business License Tax: 12, including new taxes on billboards in South San Francisco and recycling (hazardous waste) in East Palo Alto.**
- **Property Transfer Tax: 2**

There are a handful of local ballot measures that would actually reduce or repeal taxes: a tax sunset initiative on the ballot in Buellton (Santa Barbara County); utility user tax

reduction proposals in San Pablo (Contra Costa County) and Stockton (San Joaquin County), and a utility user tax repeal proposal in Moreno Valley (Riverside County).

Also, there are ballot initiatives to repeal 911 emergency telephone “fees” – which Cal-Tax considers to be illegal non-voted taxes -- in Santa Cruz County and the city of Watsonville.

Click [here](#) to be linked to the Cal-Tax summary sheet of tax measures on local ballots.

Note: Cal-Tax has tried to find all local tax measures in the 58 counties. The total of 165, if not the total for the state, is very close to it. There are a number of relatively small tax measures on the list for which we have no revenue estimate. These would not appreciably alter the total of more than \$800 million.