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## **VOTERS DISLIKE NEW OR INCREASED TAXES, REJECTING MOST MEASURES ON LOCAL BALLOTS**

SACRAMENTO – California voters generally dislike new taxes but can be convinced to continue or maintain existing levies. This logic was hammered home in returns from the November 2 election when most local tax measures were rejected, even in some of areas considered strongholds of voters who might be expected to favor more taxes.

According to a Cal-Tax survey, there were at least 174 local taxes on ballots around the state with more than \$1 billion a year in tax implications, and at least 68, or 34 percent, were approved. Several remained too close to call pending the counting of absentee or provisional ballots.

For a county-by-county list of local tax measures, click [here](#). Click [here](#) for a list of local school bonds. Click [here](#) for a list of non-school local bonds.

Cal-Tax President Larry McCarthy: “It is clear from the results that California voters are extraordinarily careful when it comes to raising taxes. Californians want to see their governments exercise more cost-effective management of the tax dollars they already have before giving them even more to spend. When local agencies have demonstrated solid management and are asking for renewal of a tax that is sunseting, voters’ response is generally positive. When a jurisdiction has damaged its credibility with voters by mismanaging budgets, there is a strong chance the tax will be rejected.”

Many of the measures that did pass were successful because they did not impose a new tax; it was an extension of an existing tax. A key argument used by proponents is it is simply authorizing a continuation of an existing tax. The message was that they were not raising taxes. This ignores, of course, the fact that without the vote there would be an automatic reduction in tax burden.

**SALES TAXES – COUNTIES.** Of 51 sales tax measures sought by cities or counties, 21 were successful, 28 were defeated and two were not yet decided. Nineteen counties sought a total of 22 sales tax increases or continuations of existing sales taxes. Of the eight that passed muster, voters were continuing an existing level of taxation. Outcomes were still in doubt for transportation sales tax measures in San Diego County and Sonoma County.

Among the losers was the \$560 million-a-year, half-cent sales tax for law enforcement in Los Angeles County. It failed with 59.6 percent of the vote, needing two-thirds as a special tax with earmarked revenues. The Los Angeles tax campaign was undercut by reporting of higher-than-expected revenues from existing taxes, giving ammunition to critics of higher taxes.

In San Francisco, Mayor Gavin Newsom's budget-balancing plan was torn apart by voters who rejected a 0.25 percent sales tax that would have raised \$33.6 million a year. It got just 42.2 percent of the vote. Voters also defeated a \$200 million housing bond and higher business taxes.

Ventura County voters were asked to enact a new transportation sales tax of 0.5 percent, and it, too, was rejected, getting only 40.4 percent of the vote. That was the story in Santa Cruz and Solano counties.

Marin bucked the trend, with 70.8 percent approval of a new 0.5 percent tax for transportation.

A new 0.25 percent tax for transportation was too close to call in Sonoma County.

Extensions of existing sales taxes for transportation were easy winners in Contra Costa, San Mateo, Sacramento and San Bernardino counties.

**SALES TAXES – CITIES.** In 13 cities, increases in sales taxes were approved: Richmond, South Lake Tahoe, Lakeport, Los Banos (Merced County), Sand City (Monterey County), San Juan Batista, Montclair (San Bernardino County), El Cajon (San Diego County), Stockton, Capitola, Santa Rosa, Sebastopol, and Farmersville (Tulare County).

Fifteen cities where voters turned down proposed sales tax hikes: Sanger (Fresno County), Delano (Kern County), Ridgecrest (Kern County), Susanville (Lassen County), Ukiah, Atwater (Merced County), Merced, Salinas, Monterey, Galt (Sacramento County), Manteca (San Joaquin County), Daly City, Watsonville, Turlock and Woodlake (Tulare County).

**UTILITY USER TAXES.** There were at least 18 measures on the ballot to maintain or increase UUTs. At least 12 were rejected and one was too close to call. In addition, a repeal measure failed in Moreno Valley (Riverside County), and a rate reduction was successful in San Pablo (Contra Costa County).

Voters in Santa Paula (Ventura County) soundly defeated a unique proposal to slap a flat \$6 monthly tax on each of four types of utilities, rather than collect a percentage of the actual cost for the month's electricity or natural gas usage. Santa Paula voters even rejected an advisory measure designed to convince voters the revenues would be spent on something they presumably like and need, like public safety services.

**PARCEL TAXES.** There were at least 64 parcel tax measures on the ballot, with 24 passing and one too close to call. A number of proposals would tax residential property differently than commercial property, such as a parcel tax for libraries in Berkeley that was rejected, getting just 50.5 percent of the vote.

**HOTEL/MOTEL ROOM TAXES.** This increasingly popular tax – because voters are essentially deciding to tax someone else – was on at least 25 local ballots around the state. At least 13 of them passed, although they didn't in such places as San Diego, Calaveras County, parts of Fresno County, Butte County, San Ramon in Contra Costa County, Inyo County and Indio in Riverside County. Voters in West Sacramento, Santa Monica, and Santa Ana supported higher transient occupancy taxes.

**NON-SCHOOL LOCAL BONDS.** Voters approved four non-school local bond measures and rejected six. The largest proposal – \$980 million for Bay Area Rapid Transit – was too close to call. Voters in Los Angeles approved a \$500 million clean water bond.

**LOCAL SCHOOL BONDS.** Voters approved 60 of 66 measures amounting to \$3.6 billion in approved bonds as Californians continued their love affair with schools. Since the passage of Proposition 39 in 2000, lowering the voter approval requirement from two-thirds to 55 percent, it is rare to find a school bond that does not pass. The biggest issue on the ballot this year was a whopping \$326 million bond for the Yosemite Community College District.

The six losers were Byron Elementary (Contra Costa County), Susanville Elementary (in Lassen County), Orange Unified, Beaumont Unified, Sutter High School, and Hanford High School.

Ad valorem property taxes will increase in the districts where voters approved the bonds, to pay the measures off.

***Note:** There is no single source for statewide local election results. Cal-Tax staff checked county election Web sites – for counties that have them – newspaper coverage and telephone or e-mail contacts with local elections officials to compile this report. The League of Women Voters has organized most of the larger counties for convenient checking of what's on local ballots. We hope some day they can convince every county to post adequate election information on their Web sites. We cannot absolutely state that we found every local tax measure ranging from a small parcel tax for an animal shelter in Paradise to Los Angeles County's megabuck sales tax. If we didn't, we're pretty close. The \$1 billion figure is a Cal-Tax ballpark estimate. A precise figure is beyond our reach.*