



STAFF REPORT

CITY of YORBA LINDA

CITY CLERK'S OFFICE

DATE: APRIL 5, 2022

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: MARCIA BROWN, CMC, CITY CLERK

SUBJECT: RESOLUTION NO. 2022-5797, OPPOSING INITIATIVE 21-0042A1

RECOMMENDATION

It is recommended that the City Council consider a Resolution opposing State Ballot Measure 21-0042A1.

BACKGROUND

The League of California Cities (CalCities) monitors policies coming from Sacramento and Washington on behalf of local municipalities. CalCities frequently publishes alerts when policy, legal decisions, or initiatives will positively or negatively impact local governments. Recently, CalCities informed local governments of an initiative progressing through the ballot measure process.

In 2018, a ballot measure titled "Tax Fairness, Transparency and Accountability Act" was circulated to qualify for the November 2018 ballot. However, the measure's proponents withdrew the initiative due to immense pushback from advocacy networks. This new initiative, called The Taxpayer and Government Accountability Act, or AG# 21-0042A1, represents a similar but more detrimental effort to alter the current process of establishing local taxes and the revenues collected by municipalities to operate essential services.

As of the writing of this report, the cities of Cypress, La Palma and La Habra have adopted resolutions opposing Initiative 21-0042A1.

DISCUSSION

This initiative creates several consequences for local governments and local voters, including but not limited to the following:

1. Prohibits local advisory measures – inhibiting the voters' ability to decide how to spend tax dollars.
2. Sets new standard for fees and charges paid for local and state government property use. The standard may significantly restrict the amount that utilities, gas companies, railroads, garbage companies, cable companies, and other corporations pay for the use of local public property.

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3. Requires voter approval to expand existing taxes (e.g., utility user tax, use tax, transient occupancy tax) to new territory (e.g., annexation) or to expand the base (e.g., new utility service). This would require additional tax measures and may deter land development in cities.
4. New taxes can be imposed only for a specific time-period.
5. Taxes adopted after January 1, 2022 that do not comply with the new rules are void unless reenacted.

The above list is not exhaustive but rather is a representation of the contents of the measure that may directly impact the City.

The City of Yorba Linda is dependent on the use of taxes and fees to provide vital services to the community. The proposed initiative would jeopardize the City's ability to fully recover the costs for many services. Therefore, it is in the City's best interest to oppose this initiative.

FISCAL IMPACT

There is no fiscal impact to adopt a Resolution opposing the measure.

ALTERNATIVES

Do not adopt the Resolution opposing the measure.

ATTACHMENTS

1. Resolution No. 2022-5797
 2. LOC Legal and Fiscal Analysis
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