

FEDERAL, STATE & LOCAL CRE LANDSCAPE

2022

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INTRODUCTION





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TOPICS

- State and Local CRE Legislative Recap
- Three Constitutional Amendments for November 2024 Ballot
- 2 Ways that the CA Constitution Can Be Amended?
- Introducing ACA 13
- ACA 13 vs. The Taxpayer Protection Act
- · ACA 1
- Opposition to ACA 1





State and Local CRE Legislative Recap

Monitor State & Local CRE Legislation

Sept. 14: End of CA Legislative Session

Oct. 14: Governor's decision deadline





Three Constitutional Amendments for November 2024 Ballot

Relate to voting thresholds for state and local taxes, ability for public entities to initiate state and local taxes, and Prop 13 Amendment to CA Constitution re: the same

Voter Initiative
- Taxpayer
Protection and
Government
Accountability
Act ("TPA")

Assembly Constitution Amendment 1

November 2024

Californians to vote on:

Assembly Constitution Amendment 13





2 Ways that the CA Constitution Can Be Amended?

Legislature proposes amendment for the ballot – like the ACA 1 and 13

Citizens' initiative through signature collection (like the TPA).

 Both ways require the Voters to vote on approve, by a simple majority vote, as set forth in the CA Constitution since 1849





Introducing ACA 13

• If approved, ACA 13 would changes the rules for constitutional amendments.

 Citizens' initiatives (such as the TPA) would need a twothirds vote to pass.

• Implication: Citizen Initiatives amending the CA Constitution requiring a two-thirds vote for approval would themselves need to pass by two-thirds vote – not a simple majority.





ACA 13 vs. The Taxpayer Protection Act

ACA 13 aims at TPA, a voter initiative

TPA: Seeks to solidify and strengthen Prop 13, Defines all levies, charges, fees as taxes, specifies voting thresholds

Impact: If ACA 13 passes, TPA would need a two-thirds vote for approval in November 2024 – rather than a simple majority of approval by Voters as currently the case

<u>ACA 13 Exemption</u>: Exclusively affects public-initiated ballots – not Legislative Initiated Amendments





ACA 1

At the <u>local</u> level, Prop 13 requires tax increases to be approved by voters

A simple majority is needed to approve taxes for a general purpose, however, a two-thirds, "super majority" vote is generally needed to approve taxes earmarked for a specific purpose

ACA 1 proposes lowering the vote threshold from two-thirds to 55 percent to pass infrastructure-related local bonds and special taxes.





Opposition to ACA 1

ACA 1 may increase taxes, raising living costs in California

It would be easier for localities to raise taxes

Challenges
Prop 13's
two-thirds
electorate
vote
requirement.

Critics' View

Infrastructure
- as defined
is broad







Thank You For Your Time!

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