

California Supreme Court: Local tax hikes proposed via initiative are different from those by elected officials



Los Angeles County voters passed a sales tax increase in November to fund Metropolitan Transportation Authority projects, including work on the Purple Line at La Brea and Wilshire, above. (Los Angeles Times)



By **Liam Dillon**

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California's highest court weighed in Monday on how voters raise revenue for local governments, deciding that tax increases proposed by city and county elected officials should be treated differently than those put on the ballot through citizen initiatives.

No consensus has emerged over how far-reaching the ruling might be, but some said the decision could make passage easier for local tax increases to finance school, road, transit or other specific repairs or expansions.

State Sen. Scott Wiener (D-San Francisco) cheered the decision as undoing state tax restrictions that have tied the hands of local governments.

"It's hard to overstate how important this ruling is," Wiener said in a statement. "Communities will now have a much easier time funding schools, transportation and other critical needs."

But Jon Coupal, president of the Howard Jarvis Taxpayers Assn., warned of a spate of tax increases on their way to city and county ballots.

"I don't think there's any way we can sugarcoat this," Coupal said. "This is a significant decision that will lead to unbridled collusion between local governments and special interest groups."

At issue is nearly four decades of California tax policy that began after [Proposition 13](#), the landmark 1978 initiative that said local governments couldn't increase taxes for specific purposes, such as road or school repairs, without the approval of two-thirds of local voters. California voters strengthened those rules to also apply to assessments and other fees in 1996 through Proposition 218.

Monday's decision, however, drew a clear line between measures put on the ballot by local elected officials and those sponsored by citizen initiatives.

"Multiple provisions of the state Constitution explicitly constrain the power of local governments to raise taxes," Justice Mariano-Florentino Cuéllar wrote [in a 5-2 majority opinion](#). "But we will not lightly apply such restrictions on local governments to voter initiatives, 'one of the most precious rights of our democratic process.'"

By that logic, under an initiative, which is placed on the ballot via outside groups through the signature-collection process, the two-thirds threshold may no longer apply, and a tax increase for a specific purpose could possibly pass with a simple-majority vote.

Coupal said his organization plans to urge state lawmakers to place a constitutional amendment on the statewide ballot to ensure that the higher standard remains in place in all cases.

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easier road to passage. Monday's ruling involved a 2014 initiative in Upland in San Bernardino County to medical marijuana dispensaries.

The facts in the case are so unique that the state Supreme Court decision doesn't address the distinction between different thresholds as it relates to tax increases proposed via initiative, said Roger Jon Diamond, a Santa Monica attorney who argued the case on behalf of Upland's medical marijuana proponents.

"I believe that this does not affect one way or the other whether you need a two-thirds vote or simple majority," Diamond said.

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