

## INTRODUCTION

In California, local taxes require voter approval, giving taxpayers a significant amount of power over the tax burden in their cities, counties, and special districts, including school districts.

This report examines the local tax measures placed before voters from 2010 to 2020, a period in which 1,956 local tax measures appeared on the ballot and 1,359 (69.5 percent) were approved, representing a cumulative tax increase of more than \$8.8 billion per year.

The measures include sales taxes, parcel taxes, hotel taxes, business license taxes and more. Most were placed on the ballot by city councils, school boards,

and other governmental bodies, while a small number reached the ballot via the initiative process.

The California Constitution provides that local taxes earmarked for a specific government program are “special taxes” that require a two-thirds vote, while local taxes that are not earmarked are “general taxes” that require approval by a simple majority of the voters. (However, recent court decisions have created a loophole that has allowed special taxes to be approved with a simple majority vote if placed on the ballot via an initiative – even when sponsored by elected officials.)

This report analyzes the passage rates under existing vote thresholds and the potential effects of changing the thresholds. Additionally, this report examines the electoral process itself.

**TABLE 1 – LOCAL TAX MEASURES IN CALIFORNIA (2010 TO 2020)**

TYPE OF TAX	ANNUAL TAX PROPOSED	NUMBER OF MEASURES
Business License & Gross Receipts Tax	\$1,841,956,750	57
Cannabis Tax	\$230,408,172	225
Documentary Transfer Tax	\$411,640,462	20
Parcel Tax	\$2,552,776,124	802
Transactions & Use Tax (Sales Tax)	\$6,402,806,076	516
Transient Occupancy Tax (Hotel Tax)	\$262,405,660	174
Utility Users Tax	\$180,608,078	123
Vehicle Tax	\$38,700,000	16
Other Taxes, Including Excise Taxes	\$74,833,000	23
<b>TOTAL</b>	<b>\$11,996,134,322</b>	<b>1956</b>

**TABLE 2 – LOCAL TAX MEASURES BY TYPE OF GOVERNMENTAL ENTITY (2010 TO 2020)**

TYPE OF GOVERNMENT	FAIL	PASS	TOTAL
City	266	866	1132
College District	5	5	10
County	85	125	210
Fire District	80	64	144
School District	83	205	288
Special District	78	94	172
<b>TOTAL</b>	<b>597</b>	<b>1359</b>	<b>1956</b>