

# Capitola City Council

## Agenda Report



**Meeting:** April 25, 2024

**From:** City Manager Department

**Subject:** Opposition to the California Taxpayer Protection and Government Accountability Act

---

**Recommended Action:** Adopt a resolution opposing Initiative #21-0042A1, the California Taxpayer Protection and Government Accountability Act.

**Background:** On February 27<sup>th</sup>, the League of California Cities requested support from the City of Capitola in opposing Initiative #21-0042A1, a measure appearing on the November 2024 ballot. The Taxpayer Protection and Government Accountability Act would revise the California Constitution with provisions that limit voters' authority and input, adopt new and stricter rules for raising taxes and fees, and may make it more difficult to impose fines and penalties for violation of state and local laws.

The measure puts billions of local government tax and fee revenues at risk statewide with related core public service impacts.

The measure could have significant negative impacts on the City's operations and core service delivery.

The proposed constitutional initiative is sponsored by the California Business Roundtable.

**Discussion:** On Jan. 4, 2022, the California Business Roundtable filed the "Taxpayer Protection and Government Accountability Act" or AG# 21-0042A1. On Feb. 1, 2023, the measure qualified for the November 2024 ballot.

The League of California Cities, along with a broad coalition of local governments, labor and public safety leaders, infrastructure advocates, and businesses, strongly opposes this initiative.

Local government revenue-raising authority is currently substantially restricted by state statute and constitutional provisions, including the voter-approved provisions of Proposition 13 of 1978, Proposition 218 of 1996, and Proposition 26 of 2010. The Taxpayer Protection and Government Accountability Act adds and expands restrictions on voters and local government tax and fee authority.

**Fiscal Impact:** Potential severe negative impacts on future revenues, amount undetermined.

**Attachments:**

1. Resolution
2. Link to full text of ballot initiative: <https://oag.ca.gov/system/files/initiatives/pdfs/21-0042A1%20%28Taxes%29.pdf>

**Report Prepared By:** Julia Gautho, City Clerk Report

**Approved By:** Jamie Goldstein, City Manager