

## **Frequently Asked Questions – Proposition 218**

### **WHAT IS PROPOSITION 218?**

Proposition 218 was a November 1996 voter initiative that added provisions to the California Constitution. To establish processes by which public agencies can raise fees for public services. It was designed to provide greater ratepayer involvement in the entire rate setting process.

### **WHAT DOES PROPOSITION 218 REQUIRE OF THE CITY?**

Proposition 218 requires cities to mail a public hearing notice to every property owner regarding proposed rate changes 45 days prior to holding a public hearing during which the City Council considers whether to adopt the changes. It also establishes a protest process for account holders to follow if they wish to oppose the proposed rates.

### **WHO RECEIVES A PUBLIC HEARING NOTICE?**

Every property owner receives a public hearing notice.

### **HOW DO I PROTEST THE RATES?**

All written protests must, at a minimum, include the following information to be counted:

- (a) address or assessor parcel numbers of property subject to the new rates,
- (b) printed name and original signature of the protester, and
- (c) a clear statement protesting the rates proposed in this notice.

Each protest must be signed with an original signature. Therefore, written protests by electronic mail (email) or fax will not be accepted. Only one protest can be filed by an account holder per parcel (or service address) to count as a valid protest vote. Since all written protests must be received by the end of the public hearing, protests being sent by mail should allow sufficient time for delivery as they will not be counted if they are not received and processed by the City Clerk's office prior to the close of the public hearing.

### **WHAT CONSTITUTES THE MAJORITY NEEDED TO PROTEST THE PROPOSED RATES?**

A majority of the property owners means more than one-half (50% plus one) of the properties in Los Altos.

### **WHAT HAPPENS IF THE CITY RECEIVES A MAJORITY OF PROTESTS?**

If a majority of property owners protest the rate changes, City Council are provided copies of the ratepayer protests for their review and may: (1) request that staff make changes to be reintroduced through another 218 process before consideration of an adoption is entertained; (2), or, withhold adoption of the proposed rate changes altogether.

### **WHAT HAPPENS IF THE CITY DOES NOT RECEIVE A MAJORITY OF PROTESTS?**

Without a majority protest, the City Council has the legal authority to adopt the proposed rate changes as dictated by Proposition 218. However, should a majority protest not be met, City Council is not automatically required to adopt the changes. Council may choose to withhold adoption or may request

staff to go back and make changes, requiring the proposal to be reintroduced through a new and separate Proposition 218 rate hearing process before consideration of adoption is entertained.

**WHAT IF RATE INCREASES ARE NOT IMPLEMENTED?**

The consequences of not implementing the proposed rates include potentially not meeting the contractual obligations that the City has with Palo Alto for sewer treatment, inability to maintain aging infrastructure and fines from federal agencies if systems fail to meet standards, at a minimum.