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Initiative 1935: Sweeping Measure to Limit Ability of State and Local Governments in California to Raise Revenues - Orrick

Voters in California may cast ballots this November on a proposal to make substantial changes to the California Constitution involving taxation and related government powers.

[Initiative 1935](#), the so-called “Taxpayer Protection and Government Accountability Act,” seeks to limit the State’s and local agencies’ ability to generate revenues by, among other things, broadening the definition of what constitutes a tax, increasing voter and government approval thresholds in some cases, and adding procedural election requirements. It seeks to overturn recent judicial decisions holding that local initiative tax measures require approval of only a majority vote.

The measure also purports to apply retroactively. If retroactivity is effective, applicable taxes, fees and charges created, increased or extended after January 1, 2022, not adopted in a manner consistent with the requirements of Initiative 1935 would become void unless reenacted within 12 months.

The Governor and State Legislature are challenging Initiative 1935 in the California Supreme Court. They say it should not appear on the ballot, arguing that the initiative would amount to an unlawful revision of the California Constitution and an impermissible interference with essential government functions. The Governor and Legislature have requested a ruling by June, before election workers prepare ballots for the November election. It is unclear how the California Supreme Court will rule.

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