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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

David C. ...
EXECUTIVE SECRETARY

June 20, 1996

To: Board of Directors (Committee on Legislation--Information)

From: *J. ...* General Counsel

Ann Z. Yacki

Subject: Right to Vote on Taxes Initiative

RECOMMENDATION(S)

For information only.

EXECUTIVE SUMMARY

The Right to Vote on Taxes Initiative, sponsored by the Howard Jarvis Taxpayers Association, if adopted by the voters in November, will further limit the ability of local government agencies to obtain revenues through taxes, assessments and property-related fees. The provision of the proposed initiative with the greatest impact on Metropolitan is the prohibition of standby charges for services which are not immediately available. Further, standby charges are classified as assessments, and additional procedures for approval of assessments are imposed. These procedures include a requirement for mailed notice to each property owner, with a mail-in ballot allowing the owner to indicate support for or opposition to the assessment or charge to be included in the notice. If ballots submitted in opposition to the charge exceed ballots submitted in favor, the charge may not be imposed.

DETAILED REPORT

The Right to Vote on Taxes Initiative, sponsored by the Howard Jarvis Taxpayers Association, if adopted by the voters in November, will further limit the ability of local government agencies to obtain revenues through taxes, assessments and property-related fees. The initiative continues the Proposition 13 requirement for two-thirds voter approval of special taxes, but adds that no general tax may be imposed, extended or increased without a majority voter approval. Procedures for ratification of existing general taxes by the voters after passage of the initiative are included. Further, property-related fees and charges (except fees and charges for sewer, water and refuse collection service) may not be imposed or increased without majority voter approval.

The provision of the proposed initiative with the greatest impact on Metropolitan is the prohibition of standby charges for services which are not immediately available. Additionally, standby charges are classified as assessments, and burdensome procedures for approval of assessments are imposed. These procedures include a requirement for mailed notice to each property owner, with a mail-in ballot allowing the owner to indicate support for or opposition to the assessments or charges to be included in the notice. If ballots submitted in opposition to the charge exceed ballots submitted in favor of the charge (with each ballot being weighted according to the proportional financial obligation of the affected property) the charge may not be imposed. Existing standby charges may be permitted to continue without complying with the additional procedures, but are subject to the prohibition against charges for services which are not immediately available.

The initiative petition has qualified to be placed on the November ballot. Approval of a simple majority (greater than 50%) of the voters voting on this measure will suffice to make the Constitutional changes set forth in the initiative.