

INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE VOTERS.

The Attorney General of California has prepared the following circulating title and summary of the chief purpose and points of the proposed measure:

(25-0006A1.) LIMITS ABILITY OF VOTERS TO RAISE REVENUES FOR LOCAL GOVERNMENT SERVICES. INITIATIVE CONSTITUTIONAL AMENDMENT. Limits voters' ability to pass voter-proposed local special taxes by raising the vote approval threshold requirement for such ballot measures from a simple majority (over 50%) to two-thirds. In charter cities, prohibits voters from approving real estate transfer taxes other than the existing 0.11% transfer tax authorized by Revenue and Taxation Code section 11911. Overturns all existing voter-approved property-related taxes, including real estate sales and transfer taxes, that do not comply with these requirements two years after the measure is enacted. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Annual loss of revenues to local governments totaling up to a couple of billion dollars, predominantly affecting certain charter cities. Potential future reduction in what local governments would otherwise collect in revenues due to a higher vote threshold for certain taxes and fewer types of taxes that local governments can adopt.

To the Honorable Secretary of State of California:

We, the undersigned, registered, qualified voters of California, residents of the County (or City and County) referenced on this petition, hereby propose amendments to the Constitution of California relating to taxes and petition the Secretary of State to submit the same to the voters of California for their adoption or rejection at the next succeeding general election or at any special statewide election held prior to that general election or as otherwise provided by law. The proposed constitutional amendments (full title and text of the measure) read as follows:

Section 4.5 of Article XIII A of the California Constitution is added to read:

Sec. 4.5. RESTORING LOCAL TAXPAYER PROTECTIONS.

(a) Starting with Proposition 13 in 1978, California voters have passed four statewide initiatives to protect themselves from excessive taxation, limit property-related taxes, and require two-thirds voter approval for local special taxes. These protections were the law for decades. Despite the voters' clear intent, court-created loopholes have allowed special interests to pass billions in new and higher taxes, including real property transfer taxes greatly exceeding the statutory limit for most cities. Academic studies show high transfer taxes undermine state efforts to build housing and reduce the property tax revenue that funds local schools and public services, thus forcing the state to backfill such funding. This section will reverse loopholes and restore taxpayer protections. Its interlocking provisions are a matter of statewide concern to ensure effective tax relief, promote state efforts to build sufficient housing, and protect local property tax revenue. It will apply to all forms of local government, including charter cities.

(b) Notwithstanding article II and article XI, no local government, including the electorate of a local government exercising the initiative power, may impose, extend, or increase any special tax except as provided in section 4 of this article, section 2(d) of article XIII C and section (3)(a)(2) of article XIII D, and unless and until that tax is submitted to the electorate and approved by a two-thirds vote.

(c) Notwithstanding article II and article XI, no local government, including the electorate of a local government exercising the initiative power, may impose the following: ad valorem taxes on real property except as provided in section (3)(a)(1) of article XIII D; any non-ad valorem general tax upon any parcel of real property or upon any person as an incident of real property ownership; or any transaction tax, sales tax, documentary transfer tax, or other tax related to real property sales, transfers, documents or recordings except for the tax, and not exceeding the rate, specified in subdivisions (a) and (b) of section 11911 of the Revenue and Taxation Code as it existed on January 1, 2025.

(d) Any tax upon any parcel of real property or upon any person as an incident of real property ownership enacted prior to the effective date of this section that does not comply with this section, and any transaction tax, sales tax, documentary transfer tax, or other tax related to real property sales, transfers, documents or recordings enacted prior to the effective date of this section that does not comply with this section shall become null and void on December 31 two years following the enactment of this section.

(e) "Local government," "special tax," and "general tax" shall have the same meaning as provided in section 1 of article XIII C. The term "electorate" as used herein and in section 2 of article XIII C and the term "qualified electors" as used in section 4 of article XIII A, means the electors or voters, including property owners, entitled to vote to approve or reject a general or special tax under the statute authorizing the tax as it existed on January 1, 2025. The term "initiative power" applies to the initiative power reserved in or derived from the constitution, statute, or charter law. This section shall be liberally construed and applied to effectuate its purposes. Any provision of this section held invalid is severable. Notwithstanding any other law, if approved by a majority of the qualified electors, this section shall become effective pursuant to section 4 of article XVIII as it existed on January 1, 2025.

NOTICE TO THE PUBLIC: THIS PETITION MAY BE CIRCULATED BY A PAID SIGNATURE GATHERER OR A VOLUNTEER. YOU HAVE THE RIGHT TO ASK. THE PROPONENTS OF THIS PROPOSED INITIATIVE MEASURE HAVE THE RIGHT TO WITHDRAW THIS PETITION AT ANY TIME BEFORE THE MEASURE QUALIFIES FOR THE BALLOT.

➔ All signers of this petition must be registered to vote in _____ County.		THIS COLUMN FOR OFFICIAL USE ONLY
➔ 1. Print Name _____ <small>DO NOT SIGN UNLESS you have seen Official Top Funders sheet and its month is still valid.</small>	➔ Residential Street Address ONLY: _____	
➔ Signature _____	➔ City: _____	
➔ 2. Print Name _____ <small>DO NOT SIGN UNLESS you have seen Official Top Funders sheet and its month is still valid.</small>	➔ Residential Street Address ONLY: _____	
➔ Signature _____	➔ City: _____	

DECLARATION OF CIRCULATOR (To be completed in circulator's own hand after the above signatures have been obtained.)

- ➔ I, _____, am 18 years of age or older.
- ➔ My residence address is _____, City _____, St _____ Zip _____.
- I circulated this section of the petition and witnessed each of the appended signatures being written. Each signature on this petition is, to the best of my information and belief, the genuine signature of the person whose name it purports to be.
- ➔ All signatures on this document were obtained between the **dates of** _____ and _____.
- I showed each signer a valid and unfalsified "Official Top Funders" sheet, as required by Section 107. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.
- ➔ Executed on _____ / _____ / _____, at _____, CA.
- ➔ Signature of Circulator _____