

The Special Districts Association of Monterey County

The SDA of Monterey County will convene for our Regular Quarterly Meeting

Date: Tuesday, January 16, 2024

Time: 6:00 - 8:00 P.M.

Location: BAYONET BLACK HORSE GOLF COURSE
CLUB HOUSE – 1 McClure Way, Seaside
(on the former Ft. Ord)

Directions: Take the Lightfighter Drive Exit off Highway 1 - Stay on Lightfighter Drive until you get to General Jim Moore Blvd. Turn RIGHT on General Jim Moore and go about 2.2 miles to McClure Way. The driveway is on your right. The meeting room is at the rear of the Club House to the left.

Dinner: Choice of stuffed chicken dinner, hamburger, or a vegetarian dinner.

Cost: **\$40.00** per person

PLEASE BRING PAYMENT TO DINNER checks payable to
"The Special Districts Association of Monterey County"

RSVP: To Paula Riso at priso@mcwd.org
PLEASE RESPOND BY THURSDAY, January 11, 2024

We encourage your District Directors, Commissioners and General Managers to attend.



AGENDA
REGULAR MEETING OF THE
SPECIAL DISTRICTS ASSOCIATION
OF MONTEREY COUNTY



Tuesday, January 16, 2024

1. – Call to Order, welcome, introductions: President Mary Ann Leffel
2. – Announcement of New Officers for 2024
3. – Dinner
4. – Speaker: TBD
5. – Approval of Minutes from the October 17, 2023 meeting
6. – New/Old Business
 - a. Review Budget, Goals and Objectives for 2024
7. – Informational Reports:
 - a. Legislative Chair Report – Vince Ferrante
 - b. Finance Committee Chair Report – Rick Verbanec
 - c. CSDA Coastal Network 5 Representative Report – Vince Ferrante/Richelle Noroyan
 - d. LAFCO Representative Report – Kate McKenna, Executive Director
 - e. Other Reports –
8. – Members comments:
9. – Suggested topics and/or speakers for next agenda; next meeting date; location:

Bayonet Blackhorse Golf Course Club House
Tuesday, April 16, 2024, 6:00 pm
10. – Adjournment

October 17, 2023 Special Districts Association Meeting

The Special Districts Association of Monterey County (SDAMC) met in person on October 17, 2023.

Marcus Detwiler, Legislative Representative for California Special District Association (CSDA), presented a legislative update indicating that CSDA staff reviewed 3030 bills this year and took a position on 1,183 including 97 with a priority position. A copy of the presentation slides is attached. Three major items will be on the November 2024 ballot including ACA1 which would reduce the bond approval requirement to 55% for public infrastructure to match the school district requirement, Constitutional Amendment 13 which would increase the voter approval requirement to match the highest voter approval requirement that an initiative would impose and Initiative 1935 which would redefine taxes and fees, increase the threshold for voter approval of local tax initiatives to a two-thirds supermajority and would retroactively void state and local taxes adopted after January 1, 2022 that did not receive a two-thirds supermajority. Other legislation addressed emergency remote meeting procedures and clarified the surplus land act used to dispose of surplus public owned property. CSDA is engaging in environmental regulatory advocacy to address emergency response concerns with proposed California Air Resources Board (CARB) clean fleet regulations.

A presentation was made by California Class which provides investment options for public agencies and may be able to provide a better return for investments currently held in the local county treasury or the Local Agency Investment Fund (LAIF).

Vince Ferrante, CSDA Director representing the local Coastal Network, reported there was a record attendance of 1,100 at the annual CSDA conference held in Monterey last August.

Darren McBain from the Monterey County Local Agency Formation Commission (LAFCO) reported a bench trial on the current litigation with the Monterey Peninsula Water Management District (MPWMD) was held last week and a decision from the Judge is expected soon. Governance issues between the city of Greenfield and three small special districts will be considered at the October LAFCO meeting. Alternate public member commissioner Mike Bickle was appointed to replace Steven Snodgrass.

The next SDA meeting is scheduled for Tuesday, January 16, 2024 at 6:00 pm at the Bayonet and Black Horse Golf Course Clubhouse in Seaside.

Special Districts Association
October 17, 2023

Member Agencies:

1. Aromas County Water District
2. Aromas Tri-County Fire Protection District
3. Cachagua Fire Protection District
4. Carmel Area Wastewater District (Barbara Buikema, Bob Siegfried)
5. Carmel Highlands Fire Protection District
6. Carmel Valley Recreation and Park District
7. Castroville Community Services District
8. Cypress Fire Protection District (Mike Meddles)
9. Greenfield Memorial District
10. Greenfield Public Recreation District (David Kong)
11. King City Cemetery District
12. Marina Coast Water District (Tom Moore, Jan Shriner, Gail Morton, Remleh Scherzinger)
13. Monterey Bay Unified Air Pollution Control Dist.
14. Monterey County Regional Fire District (Pete Poitras, Dave Sargenti)
15. Monterey Peninsula Airport District (Mary Ann Leffel, Carl Miller, John Gaglioti)
16. Monterey Peninsula Regional Park District (Kathleen Lee)
17. Monterey Peninsula Water Management District (George Riley, Alvin Edwards)
18. Monterey Regional Waste Management District (Felipe Melchor, Kim Barber)
19. Moss Landing Harbor District (Russ Jeffries, Vince Ferrante)
20. North County Fire Protection District
21. North County Recreation and Park District
22. North Salinas Valley Mosquito Abatement Dist. (Ken Klemme, Ray Coopersmith, Louise Goetzeit, Jeff Cecelio, Don Cranford)
23. Pajaro/Sunny Mesa Community Services District (Sergio Ochoa)
24. Pebble Beach Community Services District (Mike Niccum, Rick Verbanec)
25. Resource Conservation Dist. of Monterey County
26. Salinas Valley Memorial Health Care System
27. San Lucas County Water District
28. Soledad Cemetery District
29. Soledad Community Health Care District (Ida Lopez Chan)
30. South Monterey County Fire Protection District
31. Spreckels Community Services District
32. Spreckels Memorial District

Guest Attendees:

1. Local Agency Formation Commission (Darren McBain)
2. Assembly Rivas's Office (Dominic Dursa)
3. Monterey One Water (Fred Marsh)
4. CSDA (Marcus Detwiler)
5. SCS Engineers (Tim Flanagan)

Guest Speaker:


1. Bob Shull, California Class

Legislative Updates for Cemetery Concerns

Special Districts Association of Monterey County Chapter Meeting

Tuesday, October 17, 2023

*Marcus Detwiler, Legislative Representative,
California Special Districts Association*


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Legislative Updates for Cemetery Concerns

- *State Legislation, Regulations, Ballot Initiatives*
- *Assembly Constitutional Amendment 13 (Ward)*
- *Initiative #1935 (21-0042A1)*

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In the first year of the 2023-2024 Legislative Session, the California State Legislature introduced and CSDA reviewed 3030 bills. CSDA's Legislative Committee adopted positions on 1183 bills, including 97 priority positions, such as support, support if amended, oppose, oppose unless amended, concerns, and neutral positions following amendments.



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Defending Critical Cemetery Operations

- **AB 1572 (Friedman) Potable water: nonfunctional turf:**
 - This bill phases in a ban on the use of potable water for nonfunctional turf, between 2027 and 2031, for certain state properties, local government, commercial, industrial, and institutional properties other than a cemetery.
 - “Nonfunctional turf” means any turf that is not functional turf, and includes turf located within street rights-of-way and parking lots. “Functional turf” means a ground cover surface of turf located in a recreational use area or community space. Turf enclosed by fencing or other barriers to permanently preclude human access for recreation or assembly is not functional turf.
 - CSDA has also successfully advocated for cemetery protections and flexibility in the functional turf and recreational use definitions.
 - As of September 20, AB 1572 is awaiting action on the Governor’s MD0 desk.



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Slide 4

MD0 AB 1572 was signed into law.
Marcus Detwiler, 2023-10-18T14:21:24.252

Preserving Emergency Remote Meeting Procedures

- **AB 557 (Hart) Open meetings: local agencies: teleconferences:**
 - CSDA sponsored this bill in order to preserve important emergency remote meeting procedures that have been effectively utilized throughout the state.
 - CSDA is working with partner sponsors at the California State Association of Counties, the League of California Cities, and the California School Boards Association to eliminate the sunset date currently applied to emergency remote meeting procedures established by prior legislation. That prior legislation was also sponsored by CSDA.
 - This bill will also adjust the renewal period associated with the emergency remote meeting procedures. Under current law, local agencies are required to meet every 30 days (or sooner) when meeting remotely during emergencies under certain conditions. This bill would change that 30-day period to 45 days.
 - As of September 20, AB 557 is awaiting action on the Governor's desk MD0



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Pursuing Potential Revenue Streams

- **ACA 1 (Aguiar-Curry) Local government financing: affordable housing and public infrastructure: voter approval:**
 - This proposed constitutional amendment would, upon approval by California voters on the November 2024 ballot, allow special districts and other local agencies to propose to issue general obligation bonds in order to finance public infrastructure and affordable housing projects, provided the bond measure question receives the support of at least 55% of voters.
 - This amendment would provide districts with a more realistic financing tool that could be used to finance district projects.
 - CSDA has joined various other local government stakeholders, organized labor, and nonprofit housing providers in supporting this measure.



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Slide 5

MD0 AB 557 was signed into law.
Marcus Detwiler, 2023-10-18T14:21:49.395

Defending Against Expensive Mandates

- **AB 764 (Bryan): Local redistricting:**
 - This bill proposes to enact the FAIR MAPS Act of 2023, a successor to the FAIR MAPS Act of 2018. The FAIR MAPS Act of 2023 establishes required protocols and processes for special district redistricting, much like how the 2018 Act did for local agencies.
 - Notably, the provisions that apply to special districts are distinct from those that apply to other types of agencies; the difference in treatment acknowledges the disparity in resources held by special districts compared to other local governments.
 - CSDA joined other local government associations in working to amend language related to the creation of a new private right of action that would have led to increased litigation. Plaintiffs taking legal action against special districts previously could potentially recover court costs and attorneys' fees. Amendments following the bill's passage in the Senate Governance and Finance Committee significantly revised these and related provisions, such that other local government associations and affiliated stakeholders removed their opposition to the bill. However, CSDA has maintained its Oppose Unless Amended position.
 - As of September 20, AB 764 is awaiting action on the Governor's desk. MDO



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Enhancing Clarity in the Surplus Land Act (SLA)

- CSDA has been heavily engaged in legislative efforts to reform the Surplus Land Act, leading coalitions on bills that were both potentially beneficial and potentially detrimental to special districts, including:
 - **SB 747 (Caballero):** CSDA is leading a local government coalition with a Support position on this bill which will add clarity to the SLA, including by making the entry of leases more than 15 years subject to the SLA and by adding transparency to the Department of Housing and Community Development's (HCD) rulemaking processes. As of September 20, SB 747 is awaiting action on the Governor's desk.
 - **AB 480 (Ting):** CSDA is leading a local government coalition previously with an Oppose Unless Amended position on this bill, which initially sought to make several detrimental changes to the SLA that would have increased confusion and inefficiencies, and undermined protections applicable to special districts. As a result of CSDA's advocacy efforts, this bill was significantly amended, removing the most concerning elements. The bill was further amended to largely, though not completely, align with SB 747. Both SB 747 and AB 480 are contingent on enactment of each other. Recent amendments allowed CSDA to remove opposition to the bill. As of September 20, AB 480 is awaiting action on the Governor's desk. MDO



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Slide 7

MD0 AB 764 was signed into law.
Marcus Detwiler, 2023-10-18T14:18:56.555

Slide 8

MD0 SB 747 and AB 480 were both signed into law, however, both bills amended the same code sections, and the double-jointing language appears to have been insufficient to avoid chaptering-out conflicts. Given that AB 480 was chaptered second, its provisions will be the ones that become law.
Marcus Detwiler, 2023-10-18T14:24:19.238

Enhancing Clarity in the Surplus Land Act (SLA) (con't.)

- CSDA has been heavily engaged in legislative efforts to reform the Surplus Land Act, leading coalitions on bills that were both potentially beneficial and potentially detrimental to special districts, including:
 - **AB 457 (Patterson, Joe):** This is a district bill seeking an SLA exemption for a specific need. As a result of CSDA's advocacy efforts, concerning language relating to leases was amended out of the bill, allowing CSDA to move from an Oppose Unless Amended position to Neutral. This is a two-year bill.
 - **SB 34 (Umberg):** CSDA led a local government coalition previously with an Oppose Unless Amended position on this SLA procedures bill, seeking to remove concerning language related to leases. Amendments allowed CSDA to remove opposition and move to a Neutral position. As of September 20, SB 34 is MDO awaiting action on the Governor's desk.



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Enhancing Clarity in the Surplus Land Act (SLA) (con't.)

- CSDA has been heavily engaged in legislative efforts to reform the Surplus Land Act, leading coalitions on bills that were both potentially beneficial and potentially detrimental to special districts, including:
 - **SB 229 (Umberg):** CSDA led a local government coalition with an Oppose Unless Amended position on this SLA procedures bill, seeking to remove concerning language relating to leases, make a clarifying change, and add procedural flexibility. Amendments allowed CSDA to remove opposition and move to a Neutral position. This bill is enrolled and awaiting the Governor's signature. As of September 20, SB 229 is awaiting action on the Governor's desk. MDO
 - **SB 634 (Becker):** This bill would have required special districts and other local agencies to respond to inquiries in connection with potential placement of temporary housing on their properties. CSDA took an Oppose Unless Amended position because the bill would have created a significant burden on special districts and was inconsistent with the SLA. The bill was held in the Senate Appropriations Committee and is now a 2-Year bill.



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Slide 9

MD0 SB 34 was signed into law.
Marcus Detwiler, 2023-10-18T14:24:49.063

Slide 10

MD0 SB 229 was signed into law.
Marcus Detwiler, 2023-10-18T14:25:20.775

Engaging in Environmental Regulatory Advocacy

- **California Air Resources Board Advance Clean Fleet Regulation:**
 - In April 2023, the California Air Resources Board (CARB) approved its Advanced Clean Fleet (ACF) regulation, which will require local government medium and heavy-duty fleets to transition to Zero Emission Vehicles (ZEVs).
 - The regulation calls for a transition to 50% ZEVs by 2024 and 100% by 2027 or the “milestone” pathway which requires compliance by 2035.
 - CSDA advocated directly with CARB members and staff, provided written comments, and testified in opposition to the regulation during the public hearing, citing timeline, cost, infrastructure and emergency response concerns. CSDA is now supporting legislation which may help special districts preparing for this monumental transition.

That legislation includes...



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Engaging in Environmental Regulatory Advocacy (con't.)

- **AB 1594 (Garcia):** This bill will require any state regulation that seeks to require the procurement of medium- and heavy-duty ZEVs, such as CARB's ACF regulation, to ensure those vehicles can support a public agency utility's duties, as specified, and to authorize the utility to make certain determinations and vehicle replacements, as specified. CSDA has a Support position. As of September 20, AB 1594 is awaiting action on the Governor's desk. MDO
- **AB 585 (Rivas, R.):** This bill provides mechanisms for assessment of the state's needs and barriers to meeting clean energy goals. As of September 20, AB 585 is awaiting action on the Governor's desk.
- **SB 493 (Min):** This bill requires CARB to develop a strategic plan for meeting deadlines for the transition of medium- and heavy-duty fleets to zero-emission and makes related statutory changes. CSDA has a Support position. As of September 20, SB 493 is awaiting action on the Governor's desk. *SB 493 was vetoed by the Governor on Sept. 30.*



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Slide 12

MD0 AB 1594 and AB 585 were signed into law. SB 493 was vetoed.
Marcus Detwiler, 2023-10-18T14:26:18.696

Elevating Recognition of Special Districts' Contributions

- **SCR 52 (Alvarado-Gil) Special Districts Week:**
 - CSDA sponsored this resolution to continue to spotlight the value of the essential local services provided by special district members.
 - The resolution proclaimed the week of May 14, 2023, to May 20, 2023, MDO to be Special Districts Week.
 - This resolution built on resolutions from previous years, in which the Legislature had similarly encouraged all Californians to be involved in their communities and be civically engaged with their local government.



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Investigating Future Threats to District Operations

- **Government Transparency Act:**
 - Increases records available to the public.
 - Requires provision of records within certain time frames and limits charging of fees.
 - Requires public posting of certain information (e.g., records of certain court and administrative proceedings, claims and settlements, proposed regulations, and cost estimates for proposed legislation).
 - Requires all government entities to retain all public records for at least five years, unless a longer retention period is specified by state law.
 - Changes judicial process for disputes.
 - *“Increased net state and local government costs, likely reaching over \$1 billion annually, to meet new time frames and requirements for providing public access to government and legislative records and to retain such records for five years.”* — CA Legislative Analyst’s Office



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Slide 13

MD0 SCR 52 was adopted by the Legislature.
Marcus Detwiler, 2023-10-18T14:26:48.724

Assembly Constitutional Amendment 13 (Ward)

PROTECT AND RETAIN THE
MAJORITY VOTE ACT.



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What is the timeline?

- **Having been successful in the California State Legislature, proposed Constitutional Amendment would appear on the November 2024 ballot**
 - Ballot question would require a majority of voters casting votes in favor of the amendment for passage.



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What does it do?

- Requires citizen-initiated constitutional amendments that seek to impose vote thresholds higher than a majority to obtain that specified higher vote threshold in order to pass
- **Majority/Supermajority**
 - *“...an initiative measure that includes one or more provisions that amend the Constitution to increase the voter approval requirement to adopt any state or local measure is approved by the voters only if the proportion of votes cast in favor of the initiative measure is equal to or greater than the highest voter approval requirement that the initiative measure would impose for the adoption of any state or local measure...”*



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What are the impacts?

- Ensures a Majority of Voters are Not Overruled by a Minority
- **Majority vote protected**
 - By ensuring that a majority vote remains enough to amend the California Constitution, California voters retain longstanding ability to dictate state policy.
 - By requiring initiatives with supermajority vote thresholds to attain those same thresholds in order to pass, ACA 13 ensures that amendments to the California Constitution cannot be sustained by a minority.



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Learn more

- **Learn more at csda.net/advocate/ACA-13**
 - Review background and fact sheet, download a sample letter of support and submit to local Assembly Member and Senator, copying advocacy@csda.net among the recipients.



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Initiative #1935 (21-0042A1)

LIMITS ABILITY OF VOTERS AND STATE AND
LOCAL GOVERNMENTS TO RAISE REVENUES
FOR GOVERNMENT SERVICES. INITIATIVE
CONSTITUTIONAL AMENDMENT.



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Who are the proponents?

- California Business Roundtable (CBRT) is the Sponsor
 - Over \$16 million in financial contributions to the initiative and CBRT Issues PAC include, **but are not limited to the following sources:**
 - Aera Energy
 - AMR Private Ambulance Company
 - Blackstone Real Estate Partners
 - Dart Container
 - Douglas Emmett Properties
 - Enterprise Rental Car
 - Hudson Pacific Properties and Affiliated Entities
 - Howard Jarvis Taxpayers Association
 - Kilroy Realty
 - Majestic Realty
 - Pacific Ethanol
 - PEPSICO
 - Pharmaceutical Research and Manufacturers of America
 - Sempra Energy
 - Shorenstein Realty Services and Affiliated Entities
 - State Farm Insurance
 - Sutter Health
 - 7-Eleven



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Who are the proponents?

- Article Uncovers Single-Largest Donor
 - Colorado ambulance company, American Medical Response (AMR) has poured more than \$3 million into Initiative #1935
 - Read about it at:
 - [California taxes: Why is a Colorado company involved?- CalMatters](#)



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What is the timeline?

- **Eligible for November 2024 Statewide Ballot**
 - Confirmed eligible on February 1, 2023 after full count of signatures in excess of 997,139 needed to qualify.
 - Initially filed January 4, 2022, but did not meet deadline for 2022 statewide ballot.
- **Proponents have until June 27, 2024 to consider withdrawing**
 - The California Secretary of State will formally "qualify" the initiative for the November 2024 Statewide Ballot at this time.
- **If enacted, retroactively voids state and local taxes or fees adopted after January 1, 2022 if they did not align with the provisions of this initiative**
 - May also affect indexed fees that adjust over time for inflation or other factors. Effectively would allow California's statewide electorate to invalidate the prior actions of local voters in a particular community.



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What does it do?

- Redefines Taxes and Fees
- **Tax**
 - Every any-levy, charge, or exaction of any kind, imposed by a local government law that is not an exempt charge.
 - "Local law" includes, but is not limited to, any ordinance, resolution, regulation, ruling, opinion letter, or other legal authority or interpretation adopted, enacted, enforced, issued, or implemented by a local government.



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What does it do?

- Redefines Taxes and Fees
 - **Fee or “Exempt Charge”**
 - 1) A reasonable charge for a specific local government service or product provided directly to the payor that is not provide to those not charged, and which does not exceed the reasonable actual costs to the local government of providing the service or product.
 - 2) A charge imposed for the reasonable regulatory costs to a local government...
 - 3) A reasonable charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property.
 - 4) A fine or penalty...
 - 5) A charge imposed as a condition of property development...
 - 6) An Assessments and property related fees assessment, fee, or charge imposed in accordance with the provisions of subject to Article XIII D...
 - 7) A charge imposed for a specific health care service provided directly to the payor and that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the health care service. As used in this paragraph, a "health care service" means a service licensed or exempt from licensure by the state pursuant to Chapters 1, 1.3, or 2 of Division 2 of the Health and Safety Code.



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What does it do?

- Further Limits Tax Revenue
 - **Increases the threshold for voters to pass a local special tax initiative placed on the ballot by voters from a simple majority to a two-thirds supermajority**
 - Overrides the 2017 California Supreme Court decision in *California Cannabis Coalition v. City of Upland*.
 - **Hampers annexations and consolidations**
 - Requires voter approval when an expansion of boundaries extends existing taxes or fees to new territories.
 - **Tax sunset requirement**
 - New taxes can only be imposed for a specific duration.



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What does it do?

- Severely Restricts Fees
- *The local government bears the burden of proving by clear and convincing evidence that a levy, charge or exaction is an exempt charge and not a tax. The local government bears the burden of proving by clear and convincing evidence that the amount of the exempt charge is reasonable and that the amount charged does not exceed the actual cost of providing the service or product to the payor.*
- **Restricts local fee authority**
 - Fees and charges shall not exceed the “actual cost” of providing the product or service for which the fee is charged. “Actual cost” is defined as the “...minimum amount necessary...less other sources of revenue...”
- **Undefined new “reasonable” test**
 - In addition to limiting fees and charges to the actual cost, fees and charges must also be “reasonable” to the payor themselves; no definition is provided for this new subjective reasonableness test.



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What does it do?

- Drastically Increases Litigation
- *The local government bears the burden of proving by clear and convincing evidence that a levy, charge or exaction is an exempt charge and not a tax. The local government bears the burden of proving by clear and convincing evidence that the amount of the exempt charge is reasonable and that the amount charged does not exceed the actual cost of providing the service or product to the payor.*
- **Exposes taxpayers to costly lawsuits**
 - Significantly increases a public agency’s burden of proof from “preponderance of evidence” to “clear and convincing evidence” to prove compliance with the new tax and fee requirements.



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What are the impacts?

- Limits Ability of Voters and State and Local Governments to Raise Revenues for Government Services
 - **Race to the bottom**
 - By limiting revenues to the “minimum amount necessary”, imposes a race to the bottom in California that will halt investment in technological advancements that future generations will depend on.
 - **Prevents critical investments in climate adaptation and community resilience**
 - It may not be possible to prove with clear and convincing evidence that long-term investments in anticipated future infrastructure needs represent the “minimum amount necessary” for today’s service needs.



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Learn more

- **Opposition coalition**
 - In addition to CSDA, coalition in opposition includes CalCities, California State Association of Counties, California Alliance for Jobs, California Professional Firefighters, Over 100 Cities, and Over 100 Special Districts
- **Learn more at csda.net/VoterLimitations**
 - Download a sample opposition resolution and submit to advocacy@csda.net. Also find the full CSDA analysis, initiative language, and more



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