
**SENATE COMMITTEE ON
ELECTIONS AND CONSTITUTIONAL AMENDMENTS**
Senator Sabrina Cervantes, Chair
2025 - 2026 Regular

Bill No:	AB 699	Hearing Date:	7/15/25
Author:	Stefani		
Version:	7/3/25		
Urgency:	No	Fiscal:	Yes
Consultant:	Carrie Cornwell		

Subject: Elections: local tax measures.

DIGEST

This bill allows, at the choice of the proponents, a statement about the tax rate, duration of the tax, and amount of revenue raised to appear either on the ballot or in the voter information guide for local measures that impose a tax of varying rates or authorize the sale of bonds.

ANALYSIS

Existing law:

- 1) Provides that any local government bond issue that creates a lien on a property for ad valorem (according to value) property taxes must be submitted to the voters for approval. Approval requires a two-thirds vote of the electorate, except for certain bonds to improve school facilities, which may pass with a 55% vote in favor.
- 2) Requires, pursuant to the California Constitution, that local measures imposing taxes be submitted to the voters and must receive a two-thirds vote of the electorate to pass.
- 3) Requires, for each local bond issue, the local government to mail its voters information that includes the best estimate of the tax increase and years of collection of that increase needed to repay the bond, as well as the best estimate of the debt service required for the bond.
- 4) Requires a county elections official to mail a county voter information guide to each voter in the jurisdiction prior to each election that contains information about candidates and measures on the ballot, among other matters. In specified circumstances, a voter may opt out of receiving a voter information guide by mail and instead receive the information electronically.
- 5) Requires for each measure submitted to the voters that the ballot contain a ballot statement of no more than 75 words that is a condensed version of the title and summary, including the financial impact summary.
- 6) Requires the ballot statement for all local ballot measures that impose a tax or raise the rate of a tax, including measures authorizing the issuance of bonds or the

incurrence of debt, to include the amount of money to be raised annually and the rate and duration of the tax to be levied.

This bill:

- 1) Requires, for a local measure that imposes or increases a tax with more than one rate or that authorizes the issuance of bonds, the jurisdiction submitting the measure to the voters or the proponents, if it is an initiative measure, to inform the elections official conducting the election which of these statements to include on the ballot:
 - a) The estimate of the money it will raise annually, the resulting tax rate, and duration of the tax; or
 - b) The phrase “See county voter guide for detailed tax rate information.”
- 2) Requires an information statement to be mailed or, when a voter requests, to be electronically delivered, to voters for each measure that receives the ballot statement “See county voter guide for detailed tax rate information.” The local jurisdiction or the proponents shall provide information to the elections official to include in the county voter information guide, as follows:
 - a) A concise description of the purpose of the tax and how its proceeds will be spent.
 - b) A list of all the rates that are expected and how they will be imposed.
 - c) A plain language description of what would cause the tax rates to vary over time.
 - d) An explanation of the duration of the tax and how its expiration occurs.
 - e) If the measure includes issuing bonds, whether they create property tax liens, the best estimate of the tax increase and years of collection of that increase needed to repay the bond, and the best estimate of the debt service required for the bond.
- 3) Specifies that Mello-Roos community facilities districts and charter cities may submit specified documents to be included in the voter information guide to comply with 2) above.

BACKGROUND

AB 809 (Obernolte). AB 809 (Obernolte), Chapter 337, Statutes of 2015, required the ballot, if a proposed local measure imposed a tax or raised the rate of a tax, to include a statement of the amount of money to be raised annually and the rate and duration of the tax to be levied. AB 809 added this language to a provision of law that applied only to local initiative measures. AB 809 took effect in January 2016 and was intended to provide greater transparency to voters about local tax measures on which they were voting.

City of Carson v. Logan. In 2016, the City of Carson, joined by six other cities in Los Angeles County, filed a lawsuit in the Los Angeles County Superior Court arguing that

the ballot for a local tax measure on the November 2016 General Election Ballot, Measure M, violated ballot label requirements of AB 809. They argued that the ballot did not state the amount of the money to be raised annually, the rate of the tax, or duration of the tax. In opposition, the respondents argued that the language of AB 809 applied only to initiative measures that qualify for the ballot through a petition signed by voters of the local jurisdiction. The Los Angeles County Metropolitan Transportation Authority's Board of Directors, using its authority under Public Utilities Code, placed Measure M on the ballot, so it was not an initiative measure. The court ruled in favor of the respondents.

In response, AB 195 (Oberholte), Chapter 105, Statutes of 2017, applied the provisions of AB 809 to all local ballot measures that impose a tax or raise the rate of a tax, including local bonds.

COMMENTS

- 1) Author's Statement. This bill expands transparency for local tax and bond measures by providing the option to include key financial measures in the voter information guide, while amending ballot label requirements that have proven problematic or even impossible for tiered tax rates and bond issuances. The improved financial disclosures created by this bill will help voters better understand the potential financial impacts of a proposed bond or tax measure.

Requiring that financial measures be explained to a voter in a 75-word ballot label can be too restrictive and can lead to confusion and at times can be misleading to voters. For example, tax rates for bonds issued in multiple series under one voter approval may fluctuate significantly over time. Attempting to comply with the law, local agencies are forced to insert rates into their ballot label language that are averages, projections, or statutory maximums that may not be charged in any given year.

Reducing tax and bond measures to be summarized in 75-words has led to lower passage rates and jurisdictions deciding not to go to the ballot at all. This bill addresses a serious problem in current law that inhibits local tax mechanisms that cannot be accurately explained in the 75-word ballot label. This bill is smart, good government policy that enhances transparency while ensuring local jurisdictions can continue to work in partnership with their local communities in support of vital infrastructure.

- 2) Ballots Are Long and Full. Existing law dictates the content of ballots, including containing the title of each office, the names and ballot designations of candidates, titles and summaries of measures submitted to voters, and instructions to voters. Existing law also requires a ballot to be printed in a certain form. These requirements leave limited space to accommodate further requirements. For this reason, existing law also requires a county elections official to mail a county voter information guide to each voter in the jurisdiction prior to each election. This bill attempts for local tax measures to address the balance between information on the ballot, where space is limited but seen by every voter, and in the voter information guide, where it is not limited but not every voter looks.

- 3) Arguments in Support. The California Association of Clerks and Election Officials (CACEO), writing in support, notes that under existing law, if a proposed local measure imposes a tax or raises the rate of a tax, the ballot must include the amount of money to be raised annually by the tax and the rate and duration of the tax. For measures that would impose or increase a tax with more than one rate or authorize the issuance of bonds, this bill allows the tax rate information to be provided in the county voter information guide instead of on the ballot. CACEO greatly appreciates standardizing and simplifying language that is required to appear on the ballot and believes this will help voters navigate their ballot.
- 4) Arguments in Opposition. Opponents write that this bill seeks to undo the positive change made by AB 809 of 2015 and AB 195 of 2017, because it exempts some measures that impose or increase taxes from including the amount of money to be raised annually and the rate and duration of the tax to be levied on the ballot. Opponents write:

For many, the ballot label is the only thing a voter reads before making their decision and having easy access to this critical information is imperative. We believe, when faced with a tax that could last decades, that voters should have access to as much information as possible. Relegating this information to the separately mailed voter guide will reduce transparency for local tax and bond measures.

RELATED/PRIOR LEGISLATION

AB 195 (Obernolte), Chapter 105, Statutes of 2017, requires the ballot to include a statement for all local ballot measures that impose a tax or raise the rate of a tax to include specified information about the tax, instead of making such a requirement applicable only to local initiative measures.

AB 809 (Obernolte), Chapter 337, Statutes of 2015, requires the ballot, if a proposed local initiative imposed a tax or raised the rate of a tax, to include in the statement of the ordinance the amount of money to be raised annually and the rate and duration of the tax to be levied.

PRIOR ACTION

Senate Local Government Committee:	5 - 2
Assembly Floor:	54 - 20
Assembly Appropriations Committee:	11 - 3
Assembly Elections Committee:	4 - 2

POSITIONS

Sponsors: All Home
Non-Profit Housing Association of Northern California
Enterprise Community Partners

Support: Association of California School Administrators
California Association of Clerks & Election Officials
California Association of School Business Officials
California Housing Partnership
California Special Districts Association
California's Coalition for Adequate School Housing
City of Oakland
Community College Facility Coalition
East Bay Housing Organizations
Monterey Bay Economic Partnership
Riverside County Superintendent of Schools
San Diego Housing Federation
San Diego Unified School District
San Francisco Bay Area Planning and Urban Research Association SPUR
SEIU California
State Building and Construction Trades Council of California

Oppose: California Association of Realtors
California Business Roundtable
California Taxpayers Association
Howard Jarvis Taxpayers Association

-- END --