
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair
2025 - 2026 Regular Session

AB 699 (Stefani) - Elections: local tax measures

Version: July 3, 2025

Urgency: No

Hearing Date: August 18, 2025

Policy Vote: L. GOV. 5 - 2, E. & C.A. 4 - 1

Mandate: Yes

Consultant: Mark McKenzie

Bill Summary: AB 699 would authorize the proponents of a local initiative measure, or a local jurisdiction submitting a local ballot measure, that imposes or increases a tax with more than one rate, or authorizes the issuance of bonds, to choose whether financial impact information will appear on the ballot label or in the voter information guide, as specified. The bill would require local elections officials to send a measure information statement to voters with the sample ballot that includes specified financial details if that information will not appear on the ballot label.

Fiscal Impact:

- Unknown, potentially significant state-mandated local costs for elections officials to prepare and send measure information statements to voters. Actual costs would depend upon how many proponents of local multi-tiered tax and bond measures opt to include financial impact information in the voter information guide, and would vary among the state's 58 counties. These costs are likely to be state-reimbursable, subject to a determination by the Commission on State Mandates. See Staff Comments. (General Fund)

Background: Existing law requires a county elections official to mail a county voter information guide to each voter in the jurisdiction prior to each election that contains specified information about candidates and measures on the ballot, among other matters. For each measure submitted to the voters, existing law requires the ballot to contain an abbreviated statement in a ballot label that contains no more than 75 words, and includes a condensed version of the measure's title and summary and a financial impact summary. Existing law further requires the ballot label, for all local ballot measures that impose a tax or raise the rate of a tax, including local bond issues, to include the amount of money to be raised annually by the tax and the rate and duration of the tax. For local bond measures, local governments must mail information to their voters that includes the best estimate of the tax increase and years of collection of that increased tax that would be needed to repay the bonds, as well as the best estimate of the total debt service if all authorized bonds are issued and sold.

Proposed Law: AB 699 would require the proponents of a local initiative measure, or a local jurisdiction submitting a local ballot measure, that imposes a tax with more than one rate or authorizes the issuance of bonds, to inform the elections official conducting the election which of the following statements to include on the ballot label:

- The estimate of the amount of money to be raised annually by the local measure, the resulting tax rate, and duration of the tax to be levied.
- The phrase "See county voter guide for detailed tax rate information." This nine-word phrase would count towards the 75-word limit for the ballot label.

If the local jurisdiction or initiative proponent chooses to direct voters to the voter guide for financial impact information, the bill would require local elections official to send a measure information statement to voters by mail with the sample ballot for the election, or deliver the statement electronically upon request, as specified. The local jurisdiction or proponent must provide the following information to the elections official to include in the voter information guide:

- A concise description of the purpose of the proposed tax, including how the tax or bond proceeds will be spent to benefit the community.
- A list of all the tax rates that are expected to apply, for measures with more than one tax rate, and a description of how the tax will be imposed.
- A plain language description of any mechanism that would cause the tax rates to vary over time.
- An explanation of the duration of the tax stating whether it expires on a specific date, upon final payment of indebtedness, upon future voter action, or some other occurrence.
- The best estimate of the average annual dollar amount of taxes that would be collected over the ten-year period following the initial levy, as specified.
- If the measure authorizes the issuance of bonds secured by property tax liens, the best estimate of the average annual tax rate and the highest tax rate required to fund the bond issuance, as well as the total debt service required to pay the principal and interest if all bonds are issued and sold.

The bill authorizes Mello-Roos community service districts and charter cities to submit specified documents to include in the voter information guide in lieu of providing the financial impact information noted above to local elections officials.

Related Legislation: SB 532 (Wiener), as approved by this Committee in 2023, would have exempted fiscal disclosure requirements for local tiered-tax and bond measures from the 75-word cap on local ballot labels, as specified. That bill was amended in the Assembly to address an unrelated topic.

SB 268 (Wiener), which was vetoed by Governor Newsom in 2019, would have permitted the proponents of a local initiative measure, or a local jurisdiction submitting a local ballot measure, that imposes or increases a tax with more than one rate, or authorizes the issuance of bonds, to choose whether specific information will appear on the ballot label or in the voter information guide, as specified. The Governor's veto message stated the following:

This bill makes modifications to ballot label requirements and notification requirements to voters for a local measure that imposes or increases a tax with more than one rate or authorizes the issuance of bonds. I am concerned that this bill as crafted will reduce transparency for local tax and bond measures.

AB 195 (Oberholte, Chapter 105, Statutes of 2017) required the ballot 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) required 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.

Staff Comments: This bill would impose a state-mandated local program by requiring local elections officials to mail, or send electronically in certain cases, a measure information statement to each voter with the sample ballot that includes specified financial impact information, if a local jurisdiction or measure proponent opts to have that information included in the voter information guide rather than on the ballot label. As noted above, the actual costs incurred by local elections officials would depend upon the number of qualifying local measures that are proposed, and the number of jurisdictions and proponents that opt to include financial information in the voter guide in a particular year. In addition, costs would likely vary significantly among the state's 58 counties, with larger counties potentially incurring costs in the hundreds of thousands of dollars for a given election, while smaller counties may only incur relatively minor costs. These costs could be reimbursable from the state General Fund, should a local agency file a successful claim with the Commission on State Mandates.

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