

SCA 6 (Simitian) – School District Parcel Taxes

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Chamber Committee

Summary

ACA 10 would place a measure on the ballot to allow a school district, community college district, or county office of education to enact a local parcel tax with a 55 percent voter approval rate rather than the two-thirds vote currently required.

Background

Proposition 13 requires a two-thirds voter approval rate to levy special taxes in California, including parcel taxes. However, in 2000 Proposition 39 lowered the two-thirds threshold to 55 percent for school districts, community college districts, and county education office bond measures.

According to EdSource and the author, the two-thirds requirement for parcel taxes has made it extremely difficult for some school districts to raise local revenues for local schools and programs. Given the current fiscal crisis in California local education agencies (LEAs) need to find ways to raise revenue to maintain a quality level of education for all students.

Parcel taxes are generally favored because they are a flat tax on property ownership and not based on value; they provide more flexibility to spend the funds as LEAs see fit; and they are subject to greater accountability measures such as requiring LEAs to issue a statement indicating how funds will be used, create an account where to deposit funds, and issue an annual report on the status of funds.

However, parcel taxes are generally disfavored because they do not have a cap and can range from \$30 to \$385 per parcel; the term of the tax can range from two years to permanent; and some areas may be more disproportionately taxed than others. Additionally, some opponents claim that it is unfair to lower the threshold when non-property owners, who are not affected by the tax, are allowed to vote for the tax.

Constitutional Amendments are subject to different rules than regular legislation. They do not need to meet the September 11 deadline to get out of the legislature; they must pass each house with a two-thirds vote; and they do not require the Governor's signature, but are sent directly to the voters in the next statewide election, where it needs a simple majority to pass.

Senator Simitian has introduced this bill on three previous legislative cycles:

ACA 4 (03/04)- Failed on the Assembly Floor – did not receive a two-thirds vote, only a majority.

SCA 8 (05/06)- Failed on the Senate Floor – did not receive a two-thirds vote, only a majority.

SCA 17 (07/08)-Introduced, but never voted on in policy committee.

Status

Senate Floor – Third Reading, Vote Pending

Proponents

1. Moreland School District
2. Burlingame School District
3. Metropolitan School District
4. Silver Fork Elementary School District
5. West Contra Costa Unified School District
6. San Lorenzo Unified School District
7. Saratoga Unified School District
8. Morgan Hill Unified School District
9. Cabrillo College Unified School District
10. Oak Grove Unified School District
11. Campbell Union High School District
12. Evergreen School District
13. Cambrian School District
14. Santa Clara County Office of Education
15. Campbell Union School District
16. Sequoia Union High School District
17. Manhattan Beach Unified School District
18. Cupertino Union High School District
19. San Mateo County Board of Education
20. Sequoia Union High School District
21. Union School District
22. Mountain View-Los Altos Union High School District
23. San Diego Unified School District
24. Community College League
25. Los Lomitas Elementary School District
26. Buena Park School District
27. Eureka Union School District
28. San Rafael City Schools
29. Milpitas Unified School District
30. Davis Joint Unified School District
31. Mountain View Whisman School District
32. San Carlos School District
33. San Mateo-Foster City School District
34. Palo Alto Unified School District
35. Jefferson Elementary School District
36. Los Gatos—Saratoga Joint Union High School District
37. Los Altos School District
38. Scotts Valley Unified School District
39. Fremont Union High School District
40. Irvine Unified School District
41. Association of Low Wealth Schools
42. Newport—Mesa Unified School District
43. League of Women Voters of California
44. First 5 of Santa Clara County
45. Long Beach City College

46. California Tax Reform Association
47. California Federation of Teachers
48. Association of California School Administrators
49. Children Now
50. California Teachers Association
51. California School Boards Association
52. California School Employees Association, AFL-CIO
53. Antioch Unified School District
54. San Francisco Unified School District
55. California State Parent Teacher's Association
56. California Association of Suburban School District
57. Legislative Committee California County Board of Education
58. Riverside county Schools Advocacy Association
59. Los Angeles Unified School District
60. State Superintendent of Public Instruction Jack O'Connell
61. California Association of School Business Officials
62. California Communities United Institute

Opponents

1. Howard Jarvis Taxpayer Association
2. California Association of Realtors
3. Cal-Tax