



## Professional Standards Committee Highlights

### SPECIAL LOCAL TAXES BY VOTER INITIATIVE



For many years, the California Constitution has required two-thirds voter approval on special local taxes. However, a 2017 case called *California Cannabis Coalition v. City of Upland* questioned the existing interpretation of statutory guidance. That case suggested, but did not explicitly declare, that a two-thirds voter requirement for special local tax increases might not apply to measures placed on the ballot by initiative.

This summer, in *San Francisco vs. All Persons*, the court decided that a special local tax (a business license tax proposed to fund homeless-related services) brought forth by citizen initiative, not the legislative body, only needed 50% to be approved. This case may very well be appealed to the California Supreme Court. However, if this judgment stands, this court case could be one of the most significant changes in municipal revenue law in this decade. Two other court cases on similar issues are ongoing in Fresno and Oakland.

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If you have questions regarding this topic, contact Jason Al-Imam, Chair of the Professional Standards Committee at [standards.chair@csmfo.org](mailto:standards.chair@csmfo.org).

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*The Professional Standards Committee operates as a technical resource to CSMFO members. The Committee is comprised of municipal and commercial members whose mission is to keep members informed of emerging issues and best practices.*

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