

# Requirements for Common Local Government Funding Sources for Services for Children, Youth and Families

September 2013



Local Funding Sources	Legislative Body Approval	Voter Approval	Limits on Rate
<p><b>City or County General Taxes</b> These are revenues used for general governmental purposes. There is no obligation to use these revenues in a specific manner. Note that special districts cannot levy general taxes.</p>	Two-thirds	Majority of voters voting on the measure <sup>1</sup>	See “Common Types of General or Special Taxes”
<p><b>City or County Special Taxes</b> These are revenues used for specific purposes, even if tax is placed in general fund. The revenues must be used for the voter-approved purpose and no other purpose.</p>	<p>Majority (unless for charter cities, the charter provides otherwise)</p> <p>Two-thirds for add-on sales taxes</p>	Two-thirds of voters voting on the measure	See “Common Types of General or Special Taxes” or “Common Types of Special Taxes”
<p><b>Common Types of General or Special Taxes</b></p>	See above depending on whether the tax is a general or special tax	See above depending on whether the tax is a general or special tax	
- Utility User Tax			No limit
- Transient Occupancy Tax			No limit
- Add-On Sales Taxes			Combined 2% limit
- Business License Taxes (includes soda taxes and rental car taxes)			Must fairly reflect the proportion of the taxed activity actually conducted within the taxing jurisdiction
- Documentary Transfer Taxes			There are limits
- Admission Taxes			No limit
<p><b>Common Types of Special Taxes<sup>2</sup></b></p>			
- Parcel Taxes	Majority	Two-thirds of voters voting on the measure	No limit
- Mello-Roos Taxes for Services	Majority	Two-thirds of landowners or registered voters, as applicable, voting on the measure	Rate and method must have a reasonable basis
- Public Library Special Taxes	Majority	Two-thirds of voters voting on the measure	Based on benefit to property or another reasonable basis

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<b>Non-Taxes<sup>3</sup></b>			
- Property assessments	Majority	Majority of affected property owners that submit ballots; votes weighted by assessment liability	Must conform to Article XIII D of the California Constitution
- Property related fees or charges (fees or charges for gas and electric service are not considered property related)	Majority	Two-thirds of voters voting on the measure or majority of affected property owners voting on the measure (fees or charges for sewer, water and refuse collection do not need voter approval but are subject to majority protest)	Must conform to Article XIII D of the California Constitution
- Fees or charges — all other	Majority	None	Must conform to Article XIII C of the California Constitution

Note: This chart should not be construed or relied on as legal advice. Instead, this information is intended to serve as an introduction to the general subject of local government funding options, from which better informed requests for advice, legal and financial, can be formulated.

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<sup>1</sup> Elections for general taxes must be consolidated with a regularly scheduled general election for members of the city council or board of supervisors, except in cases of emergency declared by a unanimous vote of the city council or board of supervisors.

<sup>2</sup> These taxes may also be imposed by certain special districts. A special district may not impose general taxes.

<sup>3</sup> Proposition 26, approved by California's voters in 2010, limited the definition of non-taxes to exclude some funding measures that local governments had previously considered to be fees or charges, which did not require voter approval.