PROPOSITION

43 LIMITS VOTERS' ABILITY TO RAISE REVENUES FOR LOCAL GOVERNMENT SERVICES. LEGISLATIVE CONSTITUTIONAL AMENDMENT.

OFFICIAL TITLE AND SUMMARY

PREPARED BY THE ATTORNEY GENERAL

The text of this measure can be found on page 153 and the Secretary of State's website at *voterguide.sos.ca.gov.*

- Currently, local governments must obtain two-thirds voter approval to impose, extend, or increase special taxes (taxes dedicated to a specific purpose) that they place on the ballot. However, this two-thirds vote requirement does not currently apply to special taxes put on ballot by voter signature gathering.
- This measure would limit voters' ability to pass voter-proposed local special taxes by raising the percentage of votes needed to approve such ballot measures from a majority (over 50%) to two-thirds.
- Applies to voter-proposed ballot measures approved after January 1, 2027.

SUMMARY OF LEGISLATIVE ANALYST'S ESTIMATE OF NET STATE AND LOCAL GOVERNMENT FISCAL IMPACT:

- Possibility that local government tax revenues will not go up as much in the future due to a higher vote threshold for certain taxes.

FINAL VOTES CAST BY THE LEGISLATURE ON ACA 22 (PROPOSITION 43)
(CHAPTER 132, STATUTES OF 2026)

Senate:	Ayes 35	Noes 1
Assembly:	Ayes 68	Noes 2

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ANALYSIS BY THE LEGISLATIVE ANALYST CONTINUED

BACKGROUND

Local Governments in California. California has many local governments. These include cities, counties, special districts, and school districts.

Vote Thresholds for Local Taxes. The State Constitution allows local governments to increase taxes with local voter approval. Tax increases can be put on a ballot by voters or a local governing board (such as a city council or board of supervisors). Increases in some types of local taxes require a two-thirds vote to approve them, while other types of taxes require a majority (more than half) vote to approve them. Some local tax increases are approved permanently, while others are approved for a limited period of time. Before those taxes expire, voters can be asked whether to extend them.

PROPOSAL

Requires Certain Local Taxes Receive Two-Thirds Approval by Voters. Under current law, local taxes that are used for a specific purpose require a two-thirds vote to be approved. These are called special taxes. However, recent court decisions have allowed special taxes that are *proposed by voters* to be approved with a majority vote. Under Proposition 43, beginning on January 1, 2027, any new, increased, or extended local special taxes proposed by voters would require a two-thirds vote.

FISCAL EFFECTS

Possibility for Lower Local Government Tax Revenues in the Future. Proposition 43 makes it harder for local governments to pass certain taxes. As a result, local governments' tax revenues could be lower in the future than they otherwise would be. The actual revenue impact is unknown and would depend on future decisions by local governments and voters.

Visit *sos.ca.gov/campaign-lobbying/cal-access-resources/measure-contributions/2026-ballot-measure-contribution-totals* for a list of committees primarily formed to support or oppose this measure.

Visit *fppc.ca.gov/transparency/top-contributors.html* to access the committee's top 10 contributors.

For the full text of Proposition 43, see page 153.