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**STATE BUDGET:****Budget Conference Committee Expects to Finalize Legislature's Proposal Next Week**

With the Legislature's June 15 deadline for approving state budget legislation approaching quickly, budget activity heated up significantly in the Capitol this week.

The Assembly and Senate formed a budget conference committee to iron out differences in the plans put together by the leaders of each house, and the chair of the committee, Assembly Member Phil Ting, said he hopes to reach an agreement between both houses and Governor Jerry Brown by the end of next week.

Negotiations also are expected to take place behind closed doors between Assembly Speaker Anthony Rendon, Senate President Pro Tem Toni Atkins and Governor Brown.

As of this morning, no new tax proposals or major changes to the tax structure had been inserted into the budget process, but observers remained on guard for last-minute budget trailer bills. Currently, there are 100 placeholder measures for budget trailer bills and eight that recently were amended with substantive language. The budget and its trailer bills can be approved by a majority vote of each house, but taxes require at least a two-thirds vote.

The Assembly and Senate budgets are relatively similar, but both have a major difference with the governor's budget: they use revenue projections roughly \$2.7 billion higher than the governor's plan. Democratic leaders said their budgets spend this money primarily on programs that are one-time or are limited to a period of less than four years.

During the first conference committee hearing, however, Amy Costa of the governor's Department of Finance told lawmakers that Brown has "serious concerns with adopting an overly optimistic revenue forecast." Costa said the \$2.7 billion difference is largely attributable to personal income tax on capital gains – the state's most volatile and unpredictable source of revenue.

Noting that "1 percent of taxpayers pay nearly 50 percent of the income tax in this state," Costa said the administration wants to make sure that the Legislature's budget proposal aligns with Brown's "more reasonable revenue assumptions."

Additionally, Costa said the governor believes the costs of some of the legislative proposals are "significantly understated."

During his budget press conferences in January and May, Brown stressed that he does not want to add ongoing spending commitments to the state's existing budget load, because he doesn't want the state to face a large shortfall when the next economic downturn hits.

In addition to Ting, the budget conference committee includes Assembly Members Joaquin Arambula, Richard Bloom, Rocky Chavez and Jay Obernolte, and Senators Holly Mitchell (vice chair), John Moorlach, Jim Nielsen, Richard Roth and Nancy Skinner.

Describing the plans put forward by the two houses, Ting said, “We have a lot more similarities than we have differences.” The committee chair referred to all spending proposals as “investments,” in keeping with the language used by legislators in recent years.

At the first conference committee hearing, Legislative Analyst Mac Taylor gave a broad comparison of the three competing budget proposals, and said all three have reserves of more than \$17 billion, but by using more optimistic revenue projections, the legislative versions spend more. The legislative plans also predict more local property tax revenue than the governor expects, which frees up state dollars that otherwise would go to local governments.

The Senate proposes “new commitments” – including spending increases and revenue reductions – totaling \$2.9 billion more than the governor’s plan, and the Assembly proposes \$4 billion in new commitments, Taylor said.

In addition to the state’s “rainy day fund,” which has specific requirements for how much must go in, and conditions for when it can be spent, the Senate proposed a \$1 billion reserve that would be a “safety net” for social programs. The Assembly proposes creating a “budget deficit savings account” to be funded under certain conditions.

Obernolte noted that the state already has a reserve for “economic uncertainties,” in addition to the rainy day fund, and questioned why the Democrats proposed creating new reserve funds instead of using the existing one.

Taylor said all three budget plans have “very healthy reserve levels” that “could likely withstand a mild recession.”

The Assembly and Senate plans both rejected some of the governor’s infrastructure and deferred maintenance projects, and generally include more spending for health care, welfare grants, programs to address homelessness, and what Taylor described as “significant increases” for the state-run universities. Brown has advocated more efficiency in the state universities, and opined that the universities should focus on core areas, and reduce the number of courses that aren’t crucial for students.

The vehicle for the eventual budget agreement is [SB 840](#) (Senate Budget and Fiscal Review Committee), a spot bill that currently has just one sentence: “It is the intent of the Legislature to enact statutory changes, relating to the Budget Act of 2018.” The “disagreement” that allowed the bill to be sent to a conference committee was the Senate’s refusal to concur with an amendment made in the Assembly – a May 3 amendment that deleted the word “changes” in the sentence above and replaced it with the identical word.

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**GUEST COMMENTARY:****Voters Play Key Role in California's Property Tax System**

**By State Senator Cathleen Galgiani**

Property taxes impact everyone in California, so it is vital that the property tax system operates fairly and without bias.

Property owners deserve assurance that the law is being applied uniformly and that they are not overtaxed. Likewise, we all have an interest in making sure nobody is allowed to evade the tax and shirk the responsibility of paying his or her fair share.

On a broad scale, property taxes affect everything from housing affordability, to school funding, to the ability of employers to operate in California. The taxes often are passed along to renters and consumers, so they impact you whether or not you currently own property in the state.

Revenue from property taxes pays for many important programs and services. The money is distributed to local K-12 schools, community colleges and special districts, including fire-protection districts.

Property tax revenue, which is stable and predictable, also impacts the state budget. Although the state doesn't directly receive any property tax revenue from local assessments, state dollars are used to fill the void when a county's property tax revenue isn't sufficient to meet specified limits. When property tax revenue is strong – as it is this year, according to the legislative analyst – there is less stress on the state's general fund.

Early in California's history, voters adopted a state constitution that requires the State Board of Equalization to monitor the property tax system. The BOE's mission is to promote fair and appropriate implementation of property tax laws, with uniform rules so a person or business with properties in different counties is not subject to different tax treatment in each location.

Uniformity reduces administrative costs for counties while also making the tax predictable for taxpayers – a win-win situation.

The constitution empowers voters to elect BOE members, so that members are accountable to the taxpayers in their districts.

The agency is not glamorous, but it accomplishes its important work by promulgating regulations – typically in consultation with taxpayers and county assessors alike – issuing guidance to the assessors, and surveying counties to ensure adherence to the law.

The BOE's frequent reviews of California's 58 county assessors are a very important part of the system. The reviews sometimes reveal shortcomings in assessors' offices, and the BOE recommends solutions, then follows up to make sure the problems are fixed.

Taxpayers also have the ability to contact their elected BOE member if they encounter problems at the local level.

Nobody enjoys paying his or her annual property tax bill, but at least Californians can take comfort in knowing that the property tax system, overseen by people they get to elect every four years, has many safeguards designed to ensure fairness.

*State Senator Cathleen Galgiani has represented Senate District 5, which includes all of San Joaquin County and portions of Stanislaus and Sacramento counties, since 2012, after serving six years in the state Assembly. She is a candidate in the June election for State Board of Equalization District 2.*

## **LEGISLATIVE UPDATE:**

### **Both Houses Hold Extensive Floor Sessions to Beat House-of-Origin Deadline**

Legislators returning from the extended Memorial Day weekend holiday were greeted with marathon floor sessions this week as both houses sought to pass bills before today's house-of-origin deadline – the legislative rule that bills (except constitutional amendments, tax levies and urgency measures) are dead for the legislative year if they haven't passed the house in which they were introduced.

The extensive floor sessions, including a May 31 Assembly session that lasted well into the evening, were relatively light on drama, although there were a few testy exchanges in each house. Lengthy debates were held on some high-profile measures, including legislation to eliminate a prison sentence enhancement for repeat felons ([SB 1392](#), Mitchell, which failed in the Senate), but many bills were approved with little discussion or debate.

Bills of interest in the Assembly:

- [AB 2217](#) (Burke), creating the Golden State Coin Program for five years beginning January 1, 2019, to allow nonprofits, community colleges and public schools in California to purchase Golden State Coins (GSCs) for 90 cents each, and then sell them to taxpayers for \$1 each, was approved with a 65-0 vote. Taxpayers who purchase the coins would qualify for a credit against their net tax in an amount equal to 80 percent of the coins purchased during a taxable year. The bill is intended as a way to work around the federal cap on the deduction for state and local taxes.
- [AB 2503](#) (Irwin), a CalTax-supported bill that authorizes the Franchise Tax Board to administratively dissolve business entities that fail to complete the final legal procedures necessary to dissolve, and to extinguish related taxes, interest and penalties, passed with a 77-0 vote.
- [AB 2577](#) (Gray), providing a personal income tax deduction for labor organization dues, passed with a 64-11 vote.
- [AB 2771](#) (Eggman, Grayson and Weber), placing a \$7 billion general obligation bond on the November 2018 ballot to fund higher education facility construction and maintenance, passed the Assembly 55-9.

- [AB 2908](#) (Berman), imposing a per-tire “fee” upon retail sellers of tires, to fund recycling programs, passed the Assembly 45-28.
- [AB 3009](#) (Quirk), imposing a \$1 per-gallon “fee” on manufacturers, sellers and importers of paint, to be used for local grants for the mitigation of lead-based paint from residences, was not brought up for a vote.

Bills of interest in the Senate:

- [SB 826](#) (Jackson), requiring every publicly held corporation whose principal executive offices are in California to have a minimum number of women on its board of directors, was approved with a 22-11 vote. Senator Robert Hertzberg gave an impassioned speech about how the bill appears to violate the law, but abstained from voting.
- [SB 1007](#) (Hertzberg), a retroactive (to April 1, 2017) sales and use tax exemption for building materials used by nonprofit organizations to construct facilities used to care for military veterans, was approved with a 37-0 vote. The author of this measure to narrow the sales tax base is the major proponent of expanding the base in other ways by extending the sales and use tax to services.
- [SB 1028](#) (Hill), requiring rate-regulated utilities to pass savings from federal tax reform to their ratepayers – something the utilities already are doing – was approved 38-0, with no debate or discussion.
- [SB 1225](#) (Glazer), a \$4 billion bond for higher education facilities, targeted for the November ballot, was approved with a 34-5 vote. Senator Jeff Stone, who opposed the legislation, said it would make more sense to use existing dollars: “Let’s pay cash, let’s not borrow.”
- [SB 1246](#) (Gaines), allowing counties to order property tax refunds in specified situations without the taxpayer filing a claim, was approved 38-0.
- [SB 1284](#) (Jackson), requiring employers with 100 or employees to provide the state with detailed annual salary reports, categorized by ethnicity, sex, job classification and other factors, was approved with a 24-13 vote. Senators Cathleen Galgiani and Steve Glazer abstained from voting. Senator Stone said the bill would make companies the target of litigation, and added that in a “very fragile economy ... we are at a precipice where we are just pushing businesses over the edge.”
- [SB 1394](#) (Newman), a CalTax-opposed bill making it a crime for a person to pay or receive money or any other thing of value based on the number of signatures obtained on a state or local initiative, referendum, or recall petition, was approved with a 24-13 vote.

## Pending Measures

Two proposed constitutional amendments relating to taxes remain in the Senate Appropriations Committee, and still can be acted upon this year:

- [SCA 20](#) (Glazer), providing that that for purposes of allocating the Bradley-Burns share of the sales tax, the retail sale of tangible personal property transacted online is consummated at the point of delivery to the purchaser.
- [SCA 22](#) (Allen), a CalTax-opposed measure that would allow school districts to impose, extend or increase a parcel tax with 55 percent voter approval, rather than two-thirds approval, under specified circumstances.

As constitutional amendments, the measures would need statewide voter approval to take effect.

## OFFICE OF TAX APPEALS:

### OTA Hears Two Appeals of Taxpayers Seeking Penalty Relief

The Office of Tax Appeals heard two appeals this week – the only two heard during the month of May – and both involved taxpayers seeking relief of penalties imposed by the Franchise Tax Board.

At a May 29 hearing in Van Nuys, the agency heard the *Appeal of Zoubek Consulting LLC*, in which the taxpayer argued that the FTB should not have assessed an underpayment penalty on the limited liability company, and that the LLC did not timely file returns for the 2013 and 2014 tax years because it relied on “spotty” advice from a new accountant.

(A noteworthy appeal on the original agenda for the Van Nuys hearing – the *Appeal of Technicorp International II Inc.*, in which the main issue was whether the OTA has jurisdiction over the appeal – was removed from the agenda last month. The appeal was pending with the State Board of Equalization last year when the state created the OTA and ended the BOE’s authority to hear income tax appeals, and was far enough into the process that it appeared on the initial agenda for the BOE’s [April 2017 hearing](#).)

In a passionate presentation, the taxpayer also argued that taxes were not due, and he disputed the FTB’s definition of “gross income.” He asserted that client reimbursements are not taxable, and said the FTB’s position is “outrageous.” The FTB’s aggressiveness has negative impacts on small businesses like his, he said, adding that he wanted “to put a face to what goes on in this state.”

The panel of three OTA administrative law judges (ALJs) was led by Neil Robinson (a former State Board of Equalization attorney), who was joined by Douglas Bramhall (whose experience includes time as an FTB attorney) and Linda Cheng (a former BOE and FTB attorney).

The FTB argued that the delinquent filing penalty cannot be abated because the taxpayer did not establish reasonable cause, and that the estimated LLC tax penalty cannot be abated.

At a May 30 hearing in Sacramento, the OTA heard the *Appeal of Tao Xie*, involving whether the taxpayer could show reasonable cause for failing to file his 2014 personal income tax return on time. The appeal was heard by three former State Board of Equalization attorneys: John O’Roerk Johnson (lead), Jeffrey Angeja and Tommy Leung, whose extensive experience also includes serving as a tax counsel for the FTB.

The taxpayer, an engineering manager for Facebook, appeared by telephone and had a representative at the hearing. Xie said that while preparing his 2014 return, he realized that he needed to amend his 2012 and 2013 returns. The amendments would impact his 2014 taxes, so he faced a decision: file the 2014 return based on incomplete information, or delay filing until all the information was available. Xie said he made a “judgement call,” and chose the latter option.

Xie testified that he had received refunds in the prior years, so it was prudent to use those years as guidance, and to believe a refund would be due in 2014. He additionally argued that he was in a Catch-22, as filing without all of the necessary information could have exposed him to an underpayment penalty and other consequences.

The taxpayer and his representative also argued that the FTB should follow the IRS’ first-time penalty abatement approach and consider filing history. They noted that the 2014 return was Xie’s first as a California resident, as the prior returns were for income earned in California while he lived in Washington.

The FTB said the law is clear that reasonable cause can be shown only if the circumstances that caused the late filing were out of the taxpayer’s control. The FTB attorneys noted that Xie and his representative described his actions as a personal choice, and said the taxpayer instead could have chosen to file for an extension and make an estimated tax payment.

In both appeals, the parties were told that a decision will be issued within 100 days. Interest will continue to run while the decision is pending.

The OTA has not yet heard any sales or use tax appeals, and interest continues to accrue in those cases, as well.

## **2018 ELECTIONS:**

### **Voters to Decide Fate of 98 Local Tax and Bond Measures in June 5 Election**

On June 5, Californians will vote on 98 local tax and bond measures, including nine sales tax proposals, 27 parcel taxes and 39 school bonds that would be repaid with property tax increases.

The sales tax measures include one in which the Lassen County Board of Supervisors is trying to get around the state constitution’s two-thirds vote requirement for special taxes by dividing the tax into two measures: Measure J, increasing the tax rate for the city’s general fund; and Measure J, an “advisory measure” asking voters if 75 percent of the revenue from Measure J should be used for public safety programs.

Some of the local governments that placed tax measures on the ballot are using tax dollars to campaign for the measures, despite laws banning the use of public funds for campaign purposes.

For example, city of Rolling Hills Estates, in Los Angeles County, posted "[Information about Measure A](#)" on its website to describe the proposed business license tax increase measure in glowing terms. The website states: "If approved by voters, Measure A would update the City's outdated 30-year-old business license tax ordinance by simplifying and streamlining business classifications and rates with the goal of making the ordinance more transparent, easy to understand, and fair to businesses of all sizes while keeping business tax rates generally lower than in our surrounding South Bay communities. ... If approved by voters, the additional funds generated by Measure A would (like existing tax revenues) continue to provide funding for services our residents and businesses rely on, such as: Preserving Sheriff's patrols in the City; Fixing potholes and repairing streets; Repairing the City's aging storm drains; Maintaining local parks, youth recreation fields, riding rings, and trails; Preserving community events that strengthen property values; Maintaining the City's long-term financial stability and continuing fiscally responsible budget."

The Rolling Hills Estates measure is a majority-vote tax that would raise revenue for the city's general fund, as opposed to a two-thirds-vote tax that would raise revenue for the specific programs cited on the city's "information" page.

The San Lorenzo Unified School District used its website to promote a "[fact sheet](#)" on Measure B, an \$8 million school bond. The document states, "Measure B will provide \$130 million, funding critical repairs and improvements that foster a safe and productive learning environment." Ironically, the district's superintendent included a link to the "fact sheet" in a letter informing district staff that "no resources of the District (including copy machines, phone systems and e-mail systems or employees" [sic] work time) may be used to advocate a position for or against a bond measure."

Many of the officials who wrote the ballot language for their tax measures used biased descriptions to advocate a "yes" vote. For example, in Contra Costa County, the Orinda City Library describes its parcel tax increase (Measure J) as a plan to "modify" the existing tax, and begins the ballot question with language intended to get the reader in a supportive mood: "To maintain hours and services; replace worn and outdated materials; undertake building maintenance and repairs; and continue library programs for children, families, and seniors, shall the City of Orinda be authorized to modify the existing thirty-nine dollar annual tax, adding thirty dollars per single family residential parcel, or equivalent unit, so that the amended tax raises a total of five hundred fourteen thousand dollars annually for the Orinda Library, until amended by voters, with audits and oversight?"

**Local Tax Elections – June 5, 2018 Election**

Type of Measure	County	Jurisdiction	Ballot Designation	Description	Proposed Annual Tax	Vote Threshold
Bond, General Obligation	Alameda	City of Emeryville	<u>Measure C</u>	\$50 million general obligation bond to fund supportive housing for homeless individuals and help low- and middle-income individuals purchase homes at approximately 4.912 cents per \$100 of assessed value. Placed on ballot by City Council.	\$3,422,000	Two-Thirds
Bond, General Obligation	San Mateo	City of Foster City	<u>Measure P</u>	\$90 million general obligation bond for levee repairs at approximately \$40 per \$100,000 of assessed value. Placed on ballot by City Council.	\$5,171,000	Two-Thirds
Bond, General Obligation	Los Angeles	City of Claremont Police Department	Measure SC	\$23.5 million general obligation bond to fund a new police headquarters. Placed on ballot by City Council.		Two-Thirds
Bond, School	Alameda	San Lorenzo Unified School District	<u>Measure B</u>	\$130 million general obligation bond to fund school repairs and make security improvements with tax rates at approximately 6 cents per \$100 of assessed property value. Placed on ballot by Board of Trustees.	\$8,000,000	55 Percent
Bond, School	Fresno	Laton Unified School District	<u>Measure B</u>	\$7 million general obligation bond to fund modernization and health and safety improvements to classrooms at approximately 6 cents per \$100 assessed value. Placed on ballot by Board of Trustees.	\$421,000	55 Percent
Bond, School	Humboldt	Freshwater School District	Measure C	\$2.1 million general obligation bond to fund modernization and improvements to classrooms at approximately 3 cents per \$100 assessed value. Placed on ballot by Board of Trustees.	\$149,000	55 Percent
Bond, School	Humboldt	Rio Dell Elementary School	Measure D	\$1.6 million general obligation bond to fund modernization and improvements to classrooms at approximately 3 cents per \$100 assessed value. Placed on ballot by Board of Trustees.	\$111,000	55 Percent
Bond, School	Humboldt	Pacific Union School District	Measure E	\$5.6 million general obligation bond to fund modernization and improvements to classrooms at approximately 3 cents per \$100 assessed value. Placed on ballot by Board of Trustees.	\$319,000	55 Percent
Bond, School	Humboldt	Fortuna Elementary School District	Measure G	\$10 million general obligation bond to fund modernization and improvements to classrooms at approximately 3 cents per \$100 assessed value. Placed on ballot by Board of Trustees.	\$645,000	55 Percent

Bond, School	Imperial	Lone Pine School District	<u>Measure K</u>	\$6 million general obligation bond to improve school facilities at approximately 6 cents per \$100 of assessed property value. Placed on ballot by Board of Trustees.	\$400,000	55 Percent
Bond, School	Imperial	Owens Valley School District	<u>Measure L</u>	\$4.8 million general obligation bond to improve school facilities at approximately 6 cents per \$100 of assessed property value. Placed on ballot by Board of Trustees.	\$325,000	55 Percent
Bond, School	Kern	West Kern Community College District	Measure C	\$50 million general obligation bond to improve school facilities at approximately 2.5 cents per \$100 of assessed property value. Placed on ballot by Board of Trustees.	\$3,000,000	55 Percent
Bond, School	Kern	El Tejon Unified School District	Measure D	\$16 million general obligation bond to improve school facilities at approximately 5.7 cents per \$100 of assessed property value. Placed on ballot by Board of Trustees.	\$900,000	55 Percent
Bond, School	Los Angeles	Beverly Hills Unified School District	Measure BH	\$385 million general obligation bond to fund school repairs with tax rates at approximately 4.4 cents per \$100 of assessed property value. Placed on ballot by Board of Trustees.		55 Percent
Bond, School	Los Angeles	Hawthorne School District	Measure HSD	\$59 million general obligation bond to repair, construct and acquire classrooms at approximately 3 cents per \$100 of assessed value. Placed on ballot by Board of Trustees.		55 Percent
Bond, School	Los Angeles	Wiseburn Unified School District	Measure W	\$29 million general obligation bond to upgrade classrooms at approximately 1.9 cents per \$100 of assessed value. Placed on ballot by Board of Trustees.	\$2,100,000	55 Percent
Bond, School	Merced	Los Banos Unified School District	<u>Measure X</u>	\$65 million general obligation bond to fund school facility upgrades at approximately 4.3 cents per \$1100 of assessed value. Placed on ballot by Board of Trustees.	\$3,800,000	55 Percent
Bond, School	Mono	Mammoth Unified School District	<u>Measure B</u>	\$63.1 million general obligation bond to fund specified school projects at approximately 4-6 cents per \$100 of assessed value. Placed on ballot by Board of Trustees.	\$3,675,000	55 Percent
Bond, School	Monterey	Soledad Unified School District	Measure G	\$25.21 million general obligation bond to upgrade school facilities at legal rates. Placed on ballot by Board of Trustees.	\$1,000,000-\$2,500,000	55 Percent
Bond, School	Monterey	Monterey Peninsula Unified School District	Measure I	\$213 million general obligation bond to upgrade school facilities at approximately 6 cents per \$100 of assessed value. Placed on ballot by Board of Trustees.	\$12,500,000	55 Percent

Bond, School	Nevada	Grass Valley School District	<u>Measure D</u>	\$18.8 million general obligation bond to fund school repairs with tax rates at approximately 2.4 cents per \$100 of assessed property value. Placed on ballot by Board of Trustees.	\$1,005,000	55 Percent
Bond, School	Placer	Sierra Joint Community College District	<u>Measure E</u>	\$350 million general obligation bond to update school facilities and improve workforce job training at approximately 1.7 cents per \$100 of assessed property value. Placed on ballot by Board of Trustees.	\$18,000,000	55 Percent
Bond, School	San Joaquin	Stockton Unified School District	Measure C	\$156.38 million general obligation bond to repair and improve school facilities at approximately 4.9 cents per \$100 of assessed property value. Placed on ballot by Board of Trustees.	\$10,800,000	55 Percent
Bond, School	San Mateo	Jefferson Union High School District	<u>Measure J</u>	\$33 million general obligation bond to fund the financing of affordable rental housing for school district teachers and employees. Placed on ballot by Board of Trustees.		55 Percent
Bond, School	San Mateo	Cabrillo Unified School District	<u>Measure M</u>	\$99 million general obligation bond to fund school repairs. Placed on ballot by Board of Trustees.		55 Percent
Bond, School	San Mateo	Pacifica School District	<u>Measure O</u>	\$55 million general obligation bond to upgrade school facilities at legal rates. Placed on ballot by Board of Trustees.	\$3,450,000	55 Percent
Bond, School	San Mateo	Las Lomitas School District	<u>Measure R</u>	\$70 million general obligation bond to fund school repairs. Placed on ballot by Board of Trustees.	\$4,900,000	55 Percent
Bond, School	San Mateo	Ravenswood City School District	<u>Measure S</u>	\$70 million general obligation bond to fund school repairs at approximately 3 cents per \$100 of assessed value. Placed on ballot by Board of Trustees.	\$3,950,000	55 Percent
Bond, School	Santa Barbara	Lompoc Unified School District	Measure Q	\$79 million general obligation bond to fund school repairs. Placed on ballot by Board of Trustees.	\$7,000,000	55 Percent
Bond, School	Santa Clara	Mountain View-Los Altos Union High School District	Measure E	\$295 million general obligation bond to fund school upgrades. Placed on ballot by Board of Trustees.	\$18,000,000	55 Percent
Bond, School	Santa Clara/ Stanislaus	Patterson Joint Unified School District	<u>Measure V</u>	Reauthorizes the \$33,852,058 bond approved in 2008 as new bonds to fund classroom repairs. Placed on ballot by Board of Trustees.	\$2,600,000	55 Percent
Bond, School	Santa Cruz	Mountain Elementary School District	<u>Measure P</u>	\$2.3 million general obligation bond to fund school repair. Placed on ballot by Board of Trustees.		55 Percent

Bond, School	Santa Clara/ Santa Cruz	Loma Prieta Joint Union School District	<u>Measure R</u>	\$10.6 million general obligation bond to fund school repair of fire-damaged classrooms and modernization of safety systems. Placed on ballot by Board of Trustees.	\$670,000	55 Percent
Bond, School	Shasta	Redding School District	<u>Measure B</u>	\$28 million general obligation bond to fund school repair and operations. Placed on ballot by Board of Trustees.	\$420,000 - \$2,700,000	55 Percent
Bond, School	Sonoma	West Sonoma County Union High School District	Measure A	\$91 million general obligation bond to fund school repair at approximately 3 cents per \$100 of assessed value. Placed on ballot by Board of Trustees.	\$4,900,000	55 Percent
Bond, School	Sonoma	Alexander Valley Union School District	Measure B	\$6 million general obligation bond to fund school repair at approximately 2.82cents per \$100 of assessed value. Placed on ballot by Board of Trustees.	\$376,000	55 Percent
Bond, School	Sonoma	Harmony Union School District	Measure C	\$9.6 million general obligation bond to fund school repair at approximately 3 cents per \$100 of assessed value. Placed on ballot by Board of Trustees.	\$590,000	55 Percent
Bond, School	Sutter	Brittan Elementary School District	<u>Measure Y</u>	\$4 million general obligation bond to fund school repair and build a gym at approximately 3 cents per \$100 of assessed value. Placed on ballot by Board of Trustees.	\$260,000	55 Percent
Bond, School	Ventura	Oxnard Union High School District	Measure A	\$350 million general obligation bond to fund school repairs at approximately \$0.03 per \$100 of assessed value. Placed on ballot by Board of Trustees.	\$20,000,000	55 Percent
Bond, School	Ventura	Hueneme Elementary School District	Measure B	\$34.2 million general obligation bond to fund school repairs at approximately \$0.03 per \$100 of assessed value. Placed on ballot by Board of Trustees.	\$1,300,000 - \$3,300,000	55 Percent
Bond, School	Ventura	Pleasant Valley School District	Measure C	\$119 million general obligation bond to fund school repairs at approximately \$0.03 per \$100 of assessed value. Placed on ballot by Board of Trustees.	\$4,400,000 - \$10,800,000	55 Percent
Bond, School	Yuba	Plumas Lake Elementary School District	<u>Measure G</u>	\$20 million general obligation bond to fund the construction of a middle school. Placed on ballot by Board of Trustees.	\$1,050,000	55 Percent
Bridge Toll	Counties of: Alameda, Contra Costa, Marin, San Francisco, San Mateo, Santa Clara, Solano	Bay Area Toll Authority	<u>Regional Proposition 3</u>	Increases bridge tolls to all Bay Area bridges, except the Golden Gate, by \$3 over the next six years to pay for a BART extension to downtown San Jose and other transportation-related projects. Placed on ballot by Board of Supervisors.		Majority
Business License Tax	Los Angeles	City of Rolling Hills Estates	Measure A	Updates the business license tax rates to either a flat rate, or 0.05 percent to 0.4 percent of gross receipts to fund the city's general fund.	\$200,000	Majority

Cannabis Tax	Los Angeles	City of Pasadena	Measure DD	Imposes a maximum of \$10 per canopy square foot for cultivation, 6 percent gross receipts tax on retail cannabis businesses and 4 percent on all other cannabis businesses to fund the city's general fund.	\$1,400,000 - \$2,100,000	Majority
Cannabis Tax	Marin	City of San Rafael	<u>Measure G</u>	Imposes a 3 percent gross receipts tax on infused products, 4 percent for delivery, 1 percent for testing labs and 1 percent for distribution. The rates may rise every 2 years. Placed on ballot by City Council.	\$1,000,000	Majority
Cannabis Tax	Merced	City of Merced	<u>Measure Y</u>	Imposes a 3-4 percent tax with the option to raise taxes up to 10 percent in the future on cannabis dispensaries, manufacturers and other related businesses to be used for police, fire, and park and recreation services. Placed on ballot by City Council	\$1,000,000	Majority
Cannabis Tax	Mono	City of Mammoth Lakes	<u>Measure C</u>	Imposes a 2 percent gross receipts tax on commercial cannabis cultivation, 1 percent gross receipts on businesses engaged in the operation of a testing lab, 4 percent retail sales gross receipts tax, 2 percent gross receipts tax on cannabis distribution and 2 percent gross receipts tax on all other businesses associated with cannabis for the city's general fund. Placed on ballot by City Council.		Majority
Cannabis Tax	Mono	County of Mono	<u>Measure D</u>	Imposes a \$2 per square foot of canopy space that uses artificial lighting, \$1.50 per square foot of combined natural and artificial lighting, \$0.50 per square foot with no artificial lighting and \$0.50 per square foot for any nursery plus gross receipts taxes on cannabis businesses to fund the county's general fund. Placed on ballot by Board of Supervisors.		Majority
Cannabis Tax	Monterey	Monterey County Regional Fire District	Measure H	Imposes taxes at the following square footage rates: \$0.18 on cannabis cultivation, \$0.10 on cannabis nurseries and \$1.00 on cannabis manufacturing and retailers indefinitely.	\$350,000	Two-Thirds
Cannabis Tax	Nevada	City of Nevada City	<u>Measure F</u>	Imposes a canopy per square foot tax not to exceed \$7, 8 percent gross receipts tax for retail and 6 percent for all other cannabis related businesses. Placed on ballot by City Council.	\$120,000 - \$135,000	Majority

Cannabis Tax	San Luis Obispo	Unincorporated Areas	Measure B-18	Imposes a 4 percent sales tax on gross receipts from marijuana businesses that increases 2 percent each year to a maximum of 10 percent to supplement the general fund. Placed on ballot by County Supervisors.	\$1,400,000 - \$28,000,000	Majority
Cannabis Tax	Santa Barbara	County of Santa Barbara	Measure T	Imposes a 1 percent gross receipts tax on nursey operations, 1 percent of gross receipts for distributor operations (excluding distributor transport only), 3 percent of gross receipts for manufacturers, 4 percent gross receipts on cultivators, 6 percent gross receipts for retailers, and 6 percent for micro-businesses. Placed on ballot by Board of Supervisors.	\$5,000,000 - \$25,000,000	Majority
Cannabis Tax	Yolo	Yolo County	Measure K	Imposes a 4 percent gross receipts tax on marijuana grown in the county and sold, which will increase to 5 percent in the third year. Also imposes a 5 percent tax on cannabis products manufactured in the county to fund various enforcement activities and programs. Placed on ballot by Board of Supervisors.		Majority
Cannabis Tax	Siskiyou	City of Weed	<u>Measure K</u>	Imposes a 10 percent gross receipts tax and \$10-\$26 per square foot of grow area to fund the city's general fund. Placed on ballot by City Council.	\$50,000	Majority
Gross Receipts Tax	San Francisco	San Francisco	<u>Proposition C</u>	Imposes a gross receipts tax in the amount of 1 percent for warehouses and 3.5 percent for other commercial uses to fund early care and education for children from birth through the age of 5. Placed on ballot by local initiative.		Majority
Gross Receipts Tax	San Francisco	San Francisco	<u>Proposition D</u>	Imposes a 2 percent gross receipts tax on commercial property owners with some exemptions to pay for low-and middle-income housing units and homeless shelters. Placed on ballot by Board of Supervisors	\$100,000,000	Two-Thirds
Parcel Tax	Alameda	City of Oakland	<u>Measure D</u>	Imposes a \$75 parcel tax for 20 years to fund Oakland's libraries. Placed on ballot by City Council.	\$10,000,000	Two-Thirds
Parcel Tax	Contra Costa	Orinda City Library	<u>Measure J</u>	Imposes a \$30 parcel tax increase to \$69 a parcel to fund the Orinda City Library for 7 years. Placed on ballot by City Council.		Two-Thirds

Parcel Tax	Contra Costa	County Service Area P-5	<u>Measure S</u>	Imposes a \$732 parcel tax on properties used for recreational purposes, a maximum \$330 parcel tax on all other parcels to an initial amount of \$812 with CPI adjustments to fund police protection services. Placed on ballot by Board of Supervisors.		Two-Thirds
Parcel Tax	Humboldt	Southern Humboldt Community Healthcare District	Measure F	Renews the current \$125 annual parcel tax for 10 years without any rate increases to fund the healthcare district. Placed on ballot by Board of Directors.	\$1,500,000	Two-Thirds
Parcel Tax	Lake	Butler-Keys Community Services District	<u>Measure F</u>	Imposes a \$50 per-single-lot parcel tax for a period of four years for maintaining streets and establishes an annual appropriations limit of \$9,925.		Two-Thirds
Parcel Tax	Lassen	Lassen Library District	<u>Measure L</u>	Increases an existing parcel tax by \$24 to \$52 per parcel to fund the Lassen Library District. Placed on ballot by Board of Trustees.		Two-Thirds
Parcel Tax	Los Angeles	Manhattan Beach Unified School District	Measure MB	Imposes a \$225 parcel tax for six years to provide funds to offset state funding shortfalls.	\$2,650,000	Two-Thirds
Parcel Tax	Marin	Ross Valley School District	<u>Measure E</u>	Renews an existing \$621.66 parcel tax with 3 percent inflation adjustments for eight years to fund the school district. Placed on ballot by Board of Directors.	\$4,000,000	Two-Thirds
Parcel Tax	Mendocino	Mendocino Coast Hospital District	<u>Measure C</u>	Imposes a \$144 parcel tax to support the Mendocino Coast Hospital. Placed on ballot by Board of Directors.	\$1,700,000	Two-Thirds
Parcel Tax	Mendocino	Fort Bragg Rural Fire Protection District	<u>Measure D</u>	Replaces an existing parcel tax with a \$25 parcel tax to fund the fire district. Placed on ballot by Board of Directors.	\$55,914	Two-Thirds
Parcel Tax	Mendocino	Southern Humboldt Community Healthcare District	<u>Measure F</u>	Renews the current \$125 annual parcel tax for 10 years without any rate increases to fund the healthcare district. Placed on ballot by Board of Directors.	\$1,500,000	Two-Thirds
Parcel Tax	Mono	Mammoth Lakes Fire Protection District	<u>Measure A</u>	Imposes a \$79 parcel tax adjusted for inflation indefinitely to fund the fire district. Placed on ballot by Board of Directors.		Two-Thirds
Parcel Tax	San Francisco	San Francisco Unified School District	<u>Proposition G</u>	Imposes a \$298 parcel tax for 20 years beginning 2018 to pay for teacher and paraeducator salary raises, increased staffing and to provide more competitive compensation for employees. Placed on ballot by local initiative.	\$50,000,000	Majority

Parcel Tax	San Joaquin	Rippon Consolidated Fire District	Measure A	Imposes a \$125 parcel tax for single family homes and \$55 per year for any vacant properties indefinitely to support the fire district. Placed on ballot by Board of Directors.	\$1,200,000	Two-Thirds
Parcel Tax	San Luis Obispo	Cambria Community Services District	Measure A	Imposes a \$62.15 per parcel tax adjusted annually for inflation to pay for three full-time firefighters. Placed on ballot by Board of Directors.	\$378,000	Two-Thirds
Parcel Tax	San Mateo	Belmont-Redwood Shores School District	<u>Measure K</u>	Imposes a \$118 parcel tax for 5 years to fund the school district. Placed on ballot by Board of Trustees.	\$1,400,000	Two-Thirds
Parcel Tax	San Mateo	Brisbane School District	<u>Measure L</u>	Imposes a \$166 parcel tax for eight years to fund education updates. Placed on ballot by Board of Trustees.	\$591,460	Two-Thirds
Parcel Tax	San Mateo	Millbrae School District	<u>Measure N</u>	Imposes a \$97 parcel tax for five years to fund education updates. Placed on ballot by Board of Trustees.	\$700,000	Two-Thirds
Parcel Tax	San Mateo	Ravenswood City School District	<u>Measure Q</u>	Imposes a \$196 parcel tax for eight years to fund education updates. Placed on ballot by Board of Trustees.	\$1,200,000	Two-Thirds
Parcel Tax	Santa Barbara	Hope Elementary School	Measure S	Imposes a \$79 parcel tax for 5 years to fund the Hope Elementary School District. Placed on ballot by Board of Supervisors.	\$360,000	Two-Thirds
Parcel Tax	Santa Cruz	Happy Valley Elementary School	<u>Measure Q</u>	Imposes a \$99 parcel tax for 6 years to fund the school district. Placed on ballot by Board of Trustees.	\$61,000	Two-Thirds
Parcel Tax	Shasta	Shasta Lake Fire Protection District	<u>Measure A</u>	Imposes a \$100 parcel tax for the first residential unit, \$75 for each additional residential unit, \$25 per vacant parcel and seven cents per building square foot with annual inflation adjustments to fund the district. Placed on ballot by Board of Directors.	\$515,750	Two-Thirds
Parcel Tax	Sierra	Sierra City Fire District	<u>Measure B</u>	Imposes a \$100 parcel tax per residential equivalent unit indefinitely to fund the fire protection district and increases the District's spending limit. Placed on ballot by Board of Commissioners.	\$50,000	Two-Thirds
Parcel Tax	Sierra	Downieville Fire Protection District	<u>Measure C</u>	Imposes a \$100 parcel tax per residential equivalent unit indefinitely to fund the fire protection district and increases the District's spending limit. Placed on ballot by Board of Commissioners.	\$50,000	Two-Thirds
Parcel Tax	Tuolumne	County of Tuolumne	<u>Measure L</u>	Imposes a \$90 parcel tax to fund ambulance and emergency services. Placed on ballot by Board of Supervisors.		Two-Thirds

Parcel Tax	Yolo	City of Davis	Measure H	Imposes a \$49 parcel tax for 20 years to fund parks. Placed on ballot by City Council.	\$1,400,000	Two-Thirds
Parcel Tax	Yolo	City of Davis	Measure I	Imposes a \$99 parcel tax for 10 years to fund transportation related projects. Placed on ballot by City Council.	\$2,800,000	Two-Thirds
Sales Tax	Alameda	County of Alameda	<u>Measure A</u>	Imposes a 0.5 percent sales tax to expand existing childcare centers, recruit and retain teachers and push for more home-based childcare centers. Placed on ballot by Board of Supervisors.	\$140,000,000	Two-Thirds
Sales Tax	Fresno	City of Kingsburg	Measure E	Imposes a 1 percent sales tax for 10 years to hire additional police officers, bolster EMS services and replace out-of-date equipment. Placed on ballot by City Council.	\$940,000	Two-Thirds
Sales Tax	Lake	County of Lake	<u>Measure G</u>	Imposes a 1.5 percent sales tax increase for 10 years to fund the county's general fund. Placed on ballot by Board of Supervisors.	\$4,500,000	Majority
Sales Tax	Lassen	County of Lassen	<u>Measure J</u>	Imposes a 0.75 percent sales tax increase to fund the city's general fund. Placed on ballot by Board of Supervisors.		Majority
Sales Tax	Lassen	County of Lassen	<u>Measure K</u>	Asks voters if Measure J is approved should public safety services be the exclusive use of 75 percent of the revenues. Placed on ballot by Board of Supervisors.		Majority
Sales Tax	Los Angeles	City of Huntington Park	Measure S	Imposes a 1 percent sales tax to fund the city's general fund.		Majority
Sales Tax	Marin	Town of Corte Madera	<u>Measure F</u>	Eliminates an existing \$98 parcel tax per 1,000 commercial square feet for special drainage and increases and extends an existing sales tax by 0.25 percent indefinitely to fund the city's general fund. Placed on ballot by City Council.	\$3,500,000	Majority
Sales Tax	Nevada	City of Grass Valley	<u>Measure E</u>	Repeals the existing 0.5 percent sales tax and replaces it with an ongoing 1 percent sales tax to support the city's general fund. Placed on ballot by City Council.	\$5,400,000	Majority
Sales Tax	San Diego	City of Chula Vista	Measure A	Imposes a 0.5 percent sales tax increase to hire more staff in the city's police and fire departments. Placed on ballot by City Council.	\$16,000,000	Two-Thirds
Sales Tax	Santa Cruz	City of Santa Cruz	<u>Measure S</u>	Imposes a 0.25 percent sales tax increase to fund the city's general fund after the city council declared a fiscal emergency. Placed on ballot by City Council.	\$3,000,000	Majority

Transient Occupancy Tax	Mendocino	City of Mendocino	<a href="#">Measure G</a>	Imposes a 10 percent hotel tax to fund the county's general fund. Placed on ballot by Board of Supervisors.	\$1,000,000	Majority
Transient Occupancy Tax	Los Angeles	City of Monrovia City	Measure TT	Increases the city's hotel tax to 12 percent to fund the city's general fund.	\$400,000	Majority
Utility User Tax	Fresno	City of Parlier	<a href="#">Measure C</a>	Imposes a 4 percent utility users tax indefinitely to fund city services. Placed on ballot by City Council.	\$398,000	Majority
Utility User Tax	Fresno	City of Parlier	<a href="#">Measure D</a>	Asks voters if the above measure passes, shall the revenue raised be primarily used to provide, maintain and enhance fire services in the City of Parlier. Placed on ballot by City Council.		Majority
Utility User Tax	San Bernardino	City of Rialto	<a href="#">Measure M</a>	Extends the 8 percent utility users tax indefinitely to fund the city's general fund. Placed on ballot by City Council.		Majority
Utility User Tax	Santa Barbara	Isla Vista Community Services District	Measure R	Imposes an 8 percent utility users tax indefinitely to fund parking improvements, tenant mediation services and operation of the district. Placed on ballot by Board of Directors.	\$642,000	Majority

**NEW LEGISLATION:**

**Recently Introduced Measures of Interest**

**40th Anniversary of Proposition 13.** [ACR 247](#) (Acosta) commemorates the 40th anniversary of Proposition 13 and notes that “the revenue from the 1 percent property tax has increased at an average annual rate of 7.3 percent from 1979 through 2012, faster than personal income tax revenue growth, and overall property tax revenue increased by 1,000 percent between 1978 and 2012.”

**NEW WINE IN OLD BOTTLES:**

**Recently Amended Bills of Interest**

**Parcel Tax Notice Language Deleted From Bill.** [AB 448](#) (Daly), previously requiring a local agency to provide notice within 30 days of a new parcel tax to any owner of a parcel affected by the tax, if the owner does not reside within the boundaries of the taxing entity, was gutted and amended May 31 to instead authorize the creation of the Orange County Housing Trust, a joint powers authority. Vote: Majority.

**Automated Pharmacy Drug Delivery Fee.** [AB 2037](#) (Bonta), authorizing a pharmacy to provide pharmacy services to covered entities that are eligible for discount drug programs under federal law through the use of an automated drug delivery system, was amended May 25 to impose an application and renewal fee for operating an automated system. Vote: Majority.

**Talent Agency Training Fee.** [AB 2338](#) (Levine), requiring the state labor commissioner, prior to issuing a permit to employ a minor in the entertainment industry, to provide sexual harassment training, was amended May 25 to charge a fee not to exceed \$25 for the training. Vote: Majority.

**Income Tax Credit for Healthcare Costs.** [AB 2459](#) (Friedman), authorizing a refundable personal income tax credit if health insurance premiums exceed 8 percent of the individual’s modified adjusted gross income, was amended May 25 to make the credit operative only for taxable years for which resources are authorized in the annual budget for the Franchise Tax Board to oversee and audit returns associated with the credit. Vote: Majority.

**Tax-Like “Fee” on Paint.** [AB 3009](#) (Quirk), previously imposing a \$1 per-gallon “fee” on manufacturers, sellers and importers of paint, to be used for local grants for the mitigation of lead-based paint from residences, was amended May 25 to increase the fee to \$2. Vote: Two-Thirds (Tax Increase).

**Fee for Additional Driver’s License Photos.** [SB 1407](#) (Newman), authorizing an unspecified fee to be imposed for up to three additional driver’s license photographs requested, was amended May 25 to specify that the fee may not exceed \$5, and to require the Department of Motor Vehicles to implement the bill’s provisions by January 1, 2020. Vote: Majority. (**CalTax:** Under Proposition 26, government is allowed to impose a fee by a majority vote as long as the fee is imposed to cover the reasonable costs of providing a product to the payer. This bill states, however, that revenue from the new fee “shall be used ... to support driver education and training programs.”)

## **WASTE, FRAUD & MISMANAGEMENT: Your Tax Dollars at Work**

**San Francisco on Pace to Hand Out 6 Million Needles in 2018.** San Francisco is handing out approximately 400,000 syringes to drug addicts every month, and is on pace to hand out 6 million syringes within a two-year span – enough to provide every man, woman and child in the city with seven syringes.

The total is higher than the number of needles handed out in New York City, which has 10 times the population, the [San Francisco Chronicle](#) reported.

The San Francisco Department of Public Health hands out taxpayer-funded syringes to drug addicts in an effort to reduce HIV transmissions and other health risks. A recent story by *NBC Bay Area* reported that many of these needles end up on sidewalks outside schools and residential neighborhoods, costing the city millions of dollars annually in cleanup costs.

In response to the increase in syringes, health department spokesperson Rachael Kagan said, “It may be that we are doing a better job of providing clean needles for our drug users.”

San Francisco Mayor Mark Farrell said he has no intention of ending the program, and instead wants to spend additional city revenue to tackle the “unintended consequences” of the program.

The mayor’s proposal includes giving \$750,000 to the San Francisco AIDS Foundation so it can hire workers to pick up used syringes.

“There is a problem on our streets with syringes, and that is exactly why I chose to create a dedicated team of 10 people to pick them up,” Farrell said.

The mayor wants to spend \$6 million to fund a special “first-of-its-kind medical team to treat addicts on the street with the medication buprenorphine,” a drug intended to make addicts not want to shoot up in the first place.

When cleaning up a homeless encampment, the mayor and other city workers recently removed more than two tons of debris and approximately 100 syringes and crack pipes. (Source: *San Francisco Chronicle*, May 29.)

**Santa Clara County Elections Officials Mistakenly Remove Residents From Voter Rolls.** Santa Clara County election officials have acknowledged that county staff committed errors that resulted in residents being removed from voter rolls for no legitimate reason.

The *San Jose Mercury News* reported May 29 that the registration problems “occurred as part of a state process of implementing the VoteCal statewide voter database.”

The *Mercury News* continued:

“The Secretary of State’s office notifies local election officials of cases where there may be multiple registrations under the same name and asks them to eliminate outdated registrations. ... The Santa Clara County registrar last week said a staff error caused voter Nancy Kops’ registration to be canceled. ... This week the Santa Clara County registrar said staff errors resulted in two additional voters’ registrations being canceled, while another staff error caused two voters’ registered addresses to be incorrectly switched. ... Two Santa Clara County voters’ registrations were canceled by Solano County, and a third by Los Angeles County.”

All of the known mistakes have been corrected, the registrar said.

**POTPOURRI:**

**Symposia, Sightings, Salutes & Snafus**

**Governor Appoints New Chief of Staff.** Governor Jerry Brown announced May 31 that he has appointed Diana Dooley, a Democrat from Sacramento, as his new executive secretary – the official job title for the administration’s chief of staff. Dooley, who has served as secretary of the California Health and Human Services Agency since 2011, fills a vacancy left by the death of Nancy McFadden.

Dooley was president and chief executive officer of the California Children’s Hospital Association from 2006 to 2011, and general counsel and vice president of Valley Children’s Hospital from 2000 to 2006. She was a partner in the law firm of Paden and Dooley from 1998 to 2000, was the research attorney for the Tulare County Superior Court from 1996 to 1998, and owned Dooley/Hill and Associates, a public relations and advertising agency in Visalia, from 1985 to 1995.

Dooley served as legislative director and special assistant to Governor Brown from 1975 to 1983 and was an analyst at the State Personnel Board from 1974 to 1975.

This position does not require Senate confirmation, and the compensation is \$201,876.

**California Teachers Are Moving to Texas.** California has a teacher shortage, and one reason is that teachers are moving to states with lower costs of living – especially Texas, which has no state personal income tax.

*The Sacramento Bee* reported May 29: “From 2003 through 2016, about 18,000 more elementary and secondary school teachers left California than came from other states, according to a *Bee* review of U.S. Census Bureau data. The worst losses were during the height of the housing boom, when home prices were peaking, but they have continued throughout the economic recovery. California saw the largest net loss of teachers to Texas. About 6,000 more teachers left California for Texas than came here from the Lone Star State from 2003 through 2016.”

The newspaper noted that the average teacher salary is \$52,000 in Texas and \$77,000 in California, but “when adjusted for cost of living, teachers in Texas make about as much as their peers in California.” Approximately 11,000 teachers left California for Texas during the period reviewed, while approximately 5,000 moved from Texas to California. (Source: *The Sacramento Bee*, May 29.)

#### **TAX TRIVIA:**

#### **How Many Recent NBA Finals Included a Team From a State Without Income Tax?**

Since 2010, how many times has the National Basketball Association championship series included at least one team from a state that doesn’t impose personal income tax? (Bonus question: How many times during this period have *both* teams in the finals been from states without a personal income tax?) (Answers on last page.)

#### **BLAST FROM THE PAST:**

#### **Legislator’s Dream Tax Revision Package Doesn’t Exist, Lawmaker Says**

“A legislator’s dream is a tax revision package slashing burdensome levies, providing increased revenues to finance new programs but with growth factors to match future needs. It’s only a dream. There is no such thing.”

— Assembly Member Victor Veysey, in *The Desert Sun*, April 17, 1969.

#### **COMING UP:**

#### **Election Day, Anniversary of Proposition 13**

*Tuesday, June 5*

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#### **ELECTION DAY**

Statewide, polls open from 7 a.m. to 8 p.m.

Subject: Californians who haven’t already mailed in their ballots go to the polls to decide the fate of five statewide ballot measures and 98 local tax and bond measures, and to narrow the fields in races for governor, state controller, county assessors, the State Board of Equalization, the state Legislature and many other state and local races.

*Wednesday, June 6*

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**ANNIVERSARY OF THE VOTERS' APPROVAL OF PROPOSITION 13**

Nationwide, all day.

Subject: The 40<sup>th</sup> anniversary of California voters' overwhelming approval of Proposition 13, which put limits on property taxes, set new vote requirements for taxes, and ended the system that had produced spiraling property assessments year after year in the 1960s and 1970s. Voters' approval of the initiative, over the opposition of the political establishment, triggered similar tax reforms in other states.

**Tax Trivia Answer:** There have been four championship series since 2010 with at least one team from a state without personal income tax, and in three of these finals, both teams were from no-tax states. The years and teams, with the winning team listed first: 2011 (Dallas Mavericks vs. Miami Heat), 2012 (Miami Heat vs. Oklahoma City Thunder), 2013 (Miami Heat vs. San Antonio Spurs) and 2014 (San Antonio Spurs vs. Miami Heat).