



# URGENT ITEM AGENDA MATERIAL

Government Code Section 54954.2(b)  
Rules of Procedure Chapter III.C.5

**THIS ITEM IS NOT YET AGENDIZED AND MAY OR MAY NOT BE  
ACCEPTED FOR THE AGENDA AS A LATE ITEM, SUBJECT TO THE  
CITY COUNCIL'S DISCRETION ACCORDING TO BROWN ACT RULES**

**Meeting Date: September 29, 2026**

**Item Description: Resolution to Oppose Proposition 43, Limits Voter's Ability to  
Raise Revenues for Local Government Services**

This item is submitted pursuant to the provision checked below:

- ☐ Emergency Situation (54954.2(b)(1) - majority vote required)  
*Determination by a majority vote of the legislative body that an emergency situation exists, as defined in Section 54956.5.*
- ☐ Immediate Action Required (54954.2(b)(2) - two-thirds vote required)  
*There is a need to take immediate action and the need for action came to the attention of the local agency subsequent to the agenda for this meeting being posted.*

Once the item is added to the agenda (Consent or Action) it must be passed by the standard required vote threshold (majority, two-thirds, or 7/9).

**Facts supporting the addition of the item to the agenda under Section 54954.2(b) and Chapter III.C.5 of the Rules of Procedure:**

Proposition 43 is on the ballot for the November 3, 2026 General Election. Mail-in ballots will be delivered to registered voters starting October 5, 2026.

California continues to see significant increases in absentee voters. In 2025, 88.89% of California voters voted absentee, and in the 2026 Primary election 89.17% voted absentee. Voters no longer wait until Election Day to cast their ballot. It is urgent for the City of Berkeley to communicate its position in time for early voters to be informed on these two important measures .



2180 Milvia Street  
Berkeley, CA 94704  
Tel: (510) 981-7100  
TDD: (510) 981-6903  
mayor@berkeleyca.gov

CONSENT ITEM  
September 29, 2026

TO: Honorable Berkeley City City Councilmembers  
FROM: Mayor Adena Ishii (Author), Councilmember Lunaparra (Co-Sponsor),  
Councilmember Blackaby (Co-Sponsor), Councilmember Tregub (Co-Sponsor)  
SUBJECT: Recommendation to Oppose Proposition 43, Limits Voter's Ability to Raise  
Revenues for Local Government Services

### **RECOMMENDATION**

Berkeley City Council adopt a resolution opposing Proposition 43, a constitutional amendment on the November 2026 statewide ballot to limit voter's ability to raise revenues for local government services.

#### **Summary:**

Proposition 43 is a legislatively proposed constitutional amendment (ACA 22) that would change the voter-approval requirements for local special taxes and will appear before voters at the November 3, 2026, statewide general election.

Beginning January 1, 2027, Proposition 43 would require all local special taxes to receive approval from two-thirds of the voters voting on the tax, regardless of whether the measure is placed on the ballot by a local governing body or through the local initiative process. The measure would also prohibit a local government, including its electorate acting through the initiative power, from imposing an ad valorem tax on real property except as permitted under existing constitutional provisions.

#### **Ballot Description:**

Proposition 43 would add Section 4.5 to Article XIII A of the California Constitution and make the following changes to local taxation authority:

##### *Two-Thirds Requirement for All Local Special Taxes*

Beginning January 1, 2027, a local government, including the electorate of a local government exercising the initiative power, could not impose, extend, or increase a special tax unless the tax is submitted to the electorate and approved by a two-thirds vote. Local government-sponsored special taxes are already subject to two-thirds voter approval under Article XIII C. Proposition 43 would extend that same threshold to special taxes proposed through the voter initiative process, reversing the current judicial interpretation that permits those measures to pass with a simple majority.

### *Ad Valorem Property Tax Limitation*

Proposition 43 would prohibit a local government, including its electorate acting through the initiative power, from imposing an ad valorem tax on real property except as authorized by paragraph (1) of subdivision (a) of Section 3 of Article XIII D of the California Constitution. This provision clarifies that the existing constitutional limitation applies to both local governing bodies and local voters acting by initiative.

### *Prospective Application*

The measure would operate prospectively, applying to voter-proposed ballot measures approved after January 1, 2027.

## **BACKGROUND:**

### *Proposition 13 and Local Tax Approval Requirements*

California's modern local tax framework largely stems from Proposition 13<sup>1</sup>, approved by voters in 1978. Proposition 13 limited property tax rates and established voter approval requirements for local taxes. Specifically, it capped the general ad valorem property tax rate at 1 percent of assessed value, limited annual increases in assessed value, and required two-thirds voter approval for cities, counties, and special districts to impose special taxes.

Proposition 218, approved by voters in 1996, added Articles XIII C and XIII D to the California Constitution. Under Article XIII C, local governments may not impose, extend, or increase a special tax without approval by two-thirds of voters. A special tax is defined as any tax imposed for a specific purpose rather than for general governmental use.

Article XIII C also classifies local taxes as either general or special. General taxes used for general governmental purposes generally require majority voter approval. When proposed by a local governing body, a general tax must generally appear on the ballot at a regularly scheduled general election for members of that governing body, unless an emergency is declared by a unanimous vote.

Article XIII C also expressly preserves the voters' initiative power to reduce or repeal local taxes, assessments, fees, and charges. More broadly, Article II of the California Constitution reserves the initiative power to the people, and courts have traditionally construed that power broadly.

### *Court Decisions Affecting Initiative Taxes*

Recent court decisions have interpreted these constitutional provisions differently when taxes are proposed through the citizen initiative process rather than by a local government.

### *California Cannabis Coalition v. City of Upland*

*California Cannabis Coalition v. City of Upland* (2017) 3 Cal.5th 924 arose from a local initiative to repeal the city's ban on medical marijuana dispensaries, and impose an annual \$75,000 licensing and inspection charge. The City of Upland concluded that

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<sup>1</sup> [California Proposition 43, Two-Thirds Vote Requirement for Local Special Tax Initiatives and Property Tax Initiative Prohibition Amendment \(2026\) - Ballotpedia](#)

because the charge exceeded estimated regulatory costs, it would operate as a general tax and had to appear at a regularly scheduled general election rather than the special election requested by the proponents.

The California Supreme Court held that Article XIII C's election-timing requirement applied to taxes imposed by a 'local government' and did not clearly restrict voters acting through the initiative power. The requirement therefore did not apply to the voter-sponsored initiative. Upland addressed election timing for a voter-initiated general tax, not the approval threshold for a voter-initiated special tax.

*San Francisco Proposition C and the Current Majority Threshold*

Following Upland, the Court of Appeal in *City and County of San Francisco v. All Persons Interested in the Matter of Proposition C* (2020) 51 Cal.App.5th 703 held that a voter-initiated local special tax may be approved by a simple majority rather than two-thirds of voters. The California Supreme Court declined review. Subsequent appellate decisions followed the same approach, allowing several voter-initiated local special taxes to take effect with majority approval.

Under current law, the approval threshold for a local special tax therefore depends on how the measure reaches the ballot. A governing-body-sponsored special tax requires two-thirds voter approval, while a voter-initiated special tax may pass with a majority. Proposition 43 would eliminate that distinction by applying the two-thirds threshold to both.

*ACA 13 (Ward)*

In 2023, the League of California Cities supported ACA 13 a constitutional amendment dealing with voter thresholds. The measure would have required any state or local initiative measure to conform with any increased voter threshold that it seeks to impose on future ballot measures. For example, if a measure looks to increase the voter threshold of general tax measures from a simple majority (50% +1) to a supermajority (2/3), the measure would be required to pass by that same supermajority.

The measure would have also preserved the right of local governments to place advisory questions on the ballot to ask voters their opinion on the issue.

ACA 13 also stated that the provisions of this constitutional amendment apply to all statewide initiative measures submitted to voters on or after January 1, 2024. It contained intent language stating that the provisions of this measure are not intended to reverse or invalidate provisions of the California Constitution in effect before January 1, 2024, including the provisions of Proposition 13 of 1978.

ACA 13 was originally scheduled to be on the March 2024 ballot, but was subsequently moved to the November 2024 ballot, and then again to the November 2026 ballot.

*The 2026 Ballot Agreement*

ACA 22, the legislation to place Proposition 43 on the November ballot, is the product of an agreement between state leaders and the Howard Jarvis Taxpayers Association (HJTA). In exchange for the Legislature passing ACA 22 and removing ACA 13 from the November ballot,

HJTA withdrew its Local Taxpayer Protection Act to Save Proposition 13 (Initiative 25-0006A1). The proposal included a two-thirds requirement for all local special taxes, restrictions on real property transfer taxes, and the invalidation of certain existing taxes. The League of California Cities opposed the measure based on its effects on existing voter-approved revenues, local taxation authority, and essential local services.

Proposition 43 would operate prospectively and would not repeal or reduce existing real property transfer taxes, invalidate existing voter-approved special taxes, limit documentary transfer tax rates, or create a deadline for local governments to eliminate existing taxes. The result is a new constitutional restriction on future local revenue measures by requiring two-thirds approval for voter-initiated special taxes that may pass by majority vote under current law.

**Proposition 43 Fiscal Impact:**

Proposition 43 would not directly reduce or eliminate existing city revenues. Current real property transfer taxes, parcel taxes, and other voter-initiated special taxes would remain in effect. Its fiscal effects would instead arise when future voter-initiated special taxes receive majority support but fall short of the new two-thirds threshold.

The statewide amount of foregone revenue cannot be reliably estimated because it would depend on the number, structure, tax base, and election results of future local measures.

Existing voter-initiated special taxes illustrate the potential scale of revenue that could be affected if comparable measures are proposed after January 1, 2027. Examples of existing taxes that passed with less than two-thirds support include:

- Los Angeles Measure ULA: approximately \$655 million to \$1.2 billion annually.
- Santa Monica Measure GS: approximately \$54 million annually.
- Oakland Measure AA: approximately \$30 million to \$36 million annually.
- Berkeley Measure FF: approximately \$15 million annually.

Proposition 43 would not invalidate or reduce revenue from these existing measures. However, a future measure with the same level of voter support would not take effect unless it received two-thirds approval. These examples are therefore illustrative of the type and magnitude of future locally dedicated revenue that could be foregone, not an estimate of an immediate revenue loss under the measure

Additionally, Proposition 43 may also influence how future revenue measures are structured. Communities may favor general taxes, which remain subject to majority approval, over special taxes dedicated to specific purposes. Although this may preserve a path to revenue, it would prevent voters from legally restricting the funds to the program identified in the measure and could place additional demands on a city's general fund.

**FINANCIAL IMPLICATIONS:**

Opposing Proposition 43 has no financial implications for the City of Berkeley.

**CONTACT PERSON:**

Mayor Adena Ishii (510)981-7100

Attachment:

Resolution

Links:

Full Text of Measure: Proposition 43: ACA 22 (Wicks). Local taxes: limitation

LAO Analysis: Proposition 43 [Ballot]

NS XX-XXXX

**RESOLUTION TO OPPOSE PROPOSITION 43:  
LIMITS VOTERS' ABILITY TO RAISE REVENUES  
FOR LOCAL GOVERNMENT SERVICES**

**WHEREAS**, communities across California have been coming together to pass local ballot measures to provide critical funding for fire and wildfire prevention, local roads, libraries and parks as well as housing and alleviating homelessness; and

**WHEREAS**, Proposition 43 on the November 3, 2026 statewide ballot limits voters' ability to raise revenues to fund local services; and

**WHEREAS**, beginning January 1, 2027, Proposition 43 would raise the percentage of votes needed to approve any new, increased, or extended local special taxes proposed by the voters; and

**WHEREAS**, under Proposition 43, when voters place measures on the ballot to fund specific local services, opponents would only need one-third (33.4%) of the vote to block it; and

**WHEREAS**, if Proposition 43 had been the law, California communities would not have been able to raise nearly \$3 billion in revenue every year that funds firefighters and 911 response, childcare, homelessness solutions, street repairs, parks and libraries; and

**WHEREAS**, Proposition 43 does not cut taxes. It limits local voters' power to raise revenue to fund local services; and

**WHEREAS**, the measure is opposed by a broad coalition of local governments, including the League of California Cities, nurses, teachers and school employees, firefighters, and law enforcement; and

**THEREFORE, BE IT RESOLVED** that the Berkeley City Council opposes Proposition 43 on the November 2026 statewide ballot; and

**BE IT FURTHER RESOLVED**, that we direct staff to email a copy of this adopted resolution to the League of California Cities at [BallotMeasures@calcities.org](mailto:BallotMeasures@calcities.org).