



March 28, 2017

The Honorable Sebastian Ridley-Thomas
Chair, Assembly Revenue and Taxation Committee
1020 N Street, Room 167A
Sacramento, California 95814

Re: **AB 1322 (Bocanegra) – Property taxation: intercounty base year value transfers
As introduced February 17, 2017 – Oppose**

**ACA 7 (Bocanegra) – Property taxation: intercounty base year value transfers
As introduced February 17, 2017 – Oppose**

Set for Hearing on April 3, 2017 – Assembly Revenue and Taxation Committee

Dear Assembly Member Ridley-Thomas:

The California State Association of Counties (CSAC) and League of California Cities (League) respectfully oppose Assembly Bill 1322 and the companion measure Assembly Constitutional Amendment 7 by Assembly Member Bocanegra. ACA 7 would place before voters statewide the question of whether to allow the Legislature to expand the use of intercounty base year value transfers to all counties and AB 1322 would implement that option.

The sum of these two measures would be a loss of general purpose revenue for cities, counties and special districts at a time when local governments across the state are still working to return to pre-Great Recession levels of fiscal stability. In fact, 78% of counties have less property tax revenue now than in 2008, adjusting for population and inflation. Actions that would further restrict revenue at this time would only exacerbate current economic recovery efforts as well as hinder prudent preparations for the next inevitable economic slowdown.

We are also deeply concerned with these measures because they would erode the local decision making process. Voters approved Proposition 90 (1988) to give county Boards of Supervisors the option to extend existing Proposition 60 rules to include intercounty base year value transfers. Since that time, nearly 30 counties have rejected the Prop 90 allowances while nearly a dozen have adopted them. In fact, at least one county that previously rejected the Prop 90 intercounty transfer authority has since adopted such an ordinance and recently extended its sunset. In addition, some counties have voted to repeal the Prop 90 ordinances following their adoption.

Unfortunately, the wholesale changes with a top-down approach sought by AB 1322 and ACA 7 ignores the fiscal pressures and local service demands that differ greatly from region to region and even from one county to the next. The local fiscal condition and budgetary needs should be central in the decision for a county to accept intercounty transfers. Furthermore, CSAC and the League believe those most directly impacted by the outcome of such a decision, either the voters of that local jurisdiction or their elected representatives who are vested with budgetary authority, are best suited to make what could be significant changes to revenue.

continued

For the aforementioned reasons, CSAC and the League respectfully oppose AB 1322 and ACA 7. Should you have any questions about our position, please contact Dorothy Johnson (CSAC) at 916-650-8133 or Daniel Carrigg (League) at 916-658-8200.

Sincerely,



Dorothy Johnson
Legislative Representative
California State Association of Counties



Daniel Carrigg
Deputy Executive Director
League of California Cities

cc: The Honorable Raul Bocanegra, California State Assembly
Honorable Members, Assembly Revenue and Taxation Committee
Carlos Anguiano, Consultant, Assembly Revenue and Taxation Committee
Julia King, Consultant, Assembly Republican Caucus