

Tentative Overview of Required and Permissible Provisions in Parcel Tax Measures (Pending advice from counsel)

“A parcel tax is an excise tax on the privilege of consuming municipal services and is generally an annual tax that is based on either a flat rate per non-vacant parcel or a rate that varies depending on use, and size or number of units, or both, on each parcel. Proposition 218 requires that a parcel tax be adopted as a special tax unless the tax can be shown to be something other than a tax on a parcel or on a person as an incident of property ownership. See Cal Const art XIID 3.” (The California Municipal Law Handbook 2010 Section 5.62)

Required provisions in ordinance or resolution (adopted after notice and public hearing)

- The type of tax and rate of tax to be levied, the method of collection, and the date upon which an election shall be held to approve the levy of the tax (Govt. Code 50077)
- The specific purposes of the tax (Govt Code 50075.1(a))
- A requirement that the proceeds be applied only to these specific purposes (Govt Code 50075.1(b))
- The creation of an account into which the proceeds shall be deposited. (Govt Code 50075.1(c))
- The preparation of an annual report identifying the amount of funds collected and expended, and the status of any project require or authorized to be funded as identified in 50075.1(a) (Govt Code 50075.1(d) and 50075.3)

Permissible provisions

- May be flat rate per non-vacant parcel or a rate that varies depending on use, and size or number of units, or both, on each parcel (CA Municipal Law Handbook 2010 Section 5.62)
- May provide for inflationary adjustments to the rate or amount, unless the tax is to be determined by using a percentage calculation (Govt Code 53739)
- Reportedly may exempt senior citizens (School Districts have that authority, but don't know about counties, etc.)
- Apparently may limit vote and tax to a subset of given county (Govt. Code 50077(a))