Overview of Proposition 218
"The Right to Vote on Taxes Initiative"

Proposition 218 would:

- Restrict local government revenue raising ability. Bring greater uncertainty to local government finance.
- Reduce the amount of fees, assessments, and taxes that individuals and businesses pay. Increase voter-approval requirements for local taxes, assessments and fees.
- Reduce spending for local public services.
- Proposition 218 affects most local government revenues, including water and wastewater fees. garbage collection fees, fire assessments, and utility user taxes. The only local revenues **not** affected directly by Proposition 218 are: fees for local services not related to property, gas and electric charges, fees collected as a condition of property development, and intergovernmental transfers.

Overview as it applies to water and sewer fees

All new and existing "property-related" such as water and wastewater fees fall under the purview of Proposition 218.

Major Provisions

- Revenues derived from the fee or charge shall not exceed the funds required to provide the property related service.
- No property owner's fee may exceed his or her proportionate share of costs for the property-related service.
- Revenues derived from the fee or charge shall not be used for any purpose other than that for which the fee or charge was imposed.
- Local government must notify all property owners before imposing a property-related fee.
- The agency shall provide written notice by mail of the proposed fee or charge to the record owner of each identified parcel upon which the fee or charge is proposed for imposition, the amount of the fee or charge proposed to be imposed upon each, the basis upon which the amount of the proposed fee or charge was calculated, the reason for the fee or charge, together with the date, time, and location of a public hearing on the proposed fee or charge.
- The agency shall conduct a public hearing upon the proposed fee or charge not less than 45 days after mailing the notice of the proposed fee or charge to the record owners of each identified parcel upon which the fee or charge is proposed for imposition. At the public hearing, the agency shall consider all protests against the proposed fee or charge. If written protests against the proposed fee or charge are presented by a majority of owners of the identified parcels, the agency shall not impose the fee or charge.