



23 May, 2018

The Honorable Jerry Brown  
California Governor  
State Capitol  
Sacramento, Ca 95814

The Honorable Toni Atkins  
President pro Tempore  
California State Senate  
State Capitol, Room 205  
Sacramento, CA 95814

The Honorable Anthony Rendon  
Speaker  
California State Assembly  
State Capitol, Room 219  
Sacramento, CA 95814

Dear Governor Brown, President pro Tempore Atkins and Speaker Rendon:

As the mayors of eight of the largest cities in California, we are writing to you about a looming threat to our cities and state in the form of an initiative headed for qualification for this November's ballot - "The Tax Fairness, Transparency and Accountability Act of 2018". This measure was drafted by corporate special interests trying to rig the rules in their favor and take away local control from California communities. It would create massive gridlock by allowing a minority of voters to dictate local policy, create potentially huge liabilities for localities and severely limit new revenue sources and future budget flexibility.

"The Tax Fairness, Transparency, and Accountability Act of 2018" would eliminate the current authority of cities and counties to enact a tax for general purposes with approval from a majority of voters and instead require a two-thirds vote. This will no doubt make it extremely difficult for us to maintain adequate levels of services for residents and obstruct an extremely important avenue to raise revenue for essential city services like police, fire, emergency medical services, parks, and other municipal programs.

For the first time, this initiative would also allow referendums of fees enacted by local legislative bodies. A referendum could qualify with signed petitions of only 5% of affected voters. This provision could result in a spike of special elections around the state – an extremely costly possibility.

State authority would be impacted too. In part, this initiative would place new limits on the state's regulatory authority by requiring state administrative actions that result in additional charges to businesses be approved by the Legislature. This is an attempt to make it more difficult for the state to protect our environment and hold polluters accountable.

To date, the American Beverage Association (ABA) has contributed more than 80% of the funding for the initiative, or over \$6 million. The ABA has a long history of spending considerable amounts of money to defeat local soda tax measures. In 2016 alone, it spent more than \$25 million dollars in California alone, in an unsuccessful attempt to defeat a slate of local soda tax measures, which are now combatting childhood obesity and improving the overall health in the communities in which they were approved. Since those measures only required the approval of a majority of voters, the ABA has resorted to using the state initiative process to change the laws in its favor, so it won't have to continue spending money trying to defeat additional local soda tax measures.

We are extremely concerned about the ramifications that this measure would have on our state, as well as within our cities. The burden to taxpayers, the potential for gutting local services and long-range ramifications to the state are too great to ignore.

We hope that you will join us in opposing this perilous proposal.

Sincerely,



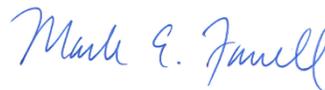
Darrell Steinberg  
Mayor, City of Sacramento



Eric Garcetti  
Mayor, City of Los Angeles



Sam T. Liccardo  
Mayor, City of San José



Mark Farrell  
Mayor, City of San Francisco



Lee Brand  
Mayor, City of Fresno



Robert Garcia  
Mayor, City of Long Beach



Miguel Pulido  
Mayor, City of Santa Ana



Libby Schaaf  
Mayor, City of Oakland

Cc: Members of the California State Legislature